

2206

OFFICIAL
FILE COPY
DO NOT SEND OUT

RECEIVED

JUN 29 1967

LIBRARY OF CONGRESS



**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED
Hahnville, Louisiana**

General Purpose Financial Statements
For the Year Ended December 31, 1967

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 or . . .

Release Date 6/21/1968

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED
Bakerville, Louisiana**

**General Purpose Financial Statements
For the Year Ended December 31, 1997**

CONTENTS

	Statement	Page No.
Independent Auditor's Report		1
General Purpose Financial Statements:		
Statement of Financial Position	A	2
Statement of Activities	B	3
Statement of Cash Flows	C	4
Notes to the Financial Statements		5-9
Special Report of Certified Public Accountants:		
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards		10

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
COMPELLANTS

a PROFESSIONAL CORPORATION

307 S. Governor Blvd. • Suite 810 • P.O. Box 1002 • Metairie, LA 70002
Phone (504) 885-0961 • Fax (504) 885-0505 • E-mail rebowa@rebowa.com

INDEPENDENT AUDITOR'S REPORT

To the Members of the
**Industrial Development Board of the
Parish of St. Charles, Louisiana, Incorporated**
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of the **Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated**, (a non-profit corporation) as of December 31, 1997, and the related statements of activities, and cash flows for the year then ended. These general purpose financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the **Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated** as of December 31, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 28, 1998, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Rebowe & Company

April 30, 1998

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED
Hahnville, Louisiana**

Statement of Financial Position
December 31, 1997

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 2,518
Investments - Held to Maturity	<u>13,406</u>
Total Current Assets	<u>14,028</u>

Noncurrent Permanently Restricted Assets:

Accrued Interest on Direct Financing Loans Receivable	13,406
Long-Term Direct Financing Loans Receivable	<u>1,625,000</u>
Total Noncurrent Permanently Restricted Assets	<u>1,638,406</u>

TOTAL ASSETS \$ 1,652,434

LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities - Payable from Permanently Restricted Assets:

Accrued Bond Interest Payable	\$ 13,406
Total Current Liabilities	<u>13,406</u>

Long-Term Liabilities - Revenue Bonds Payable

	<u>1,625,000</u>
--	------------------

Total Liabilities 1,638,406

Net Assets:

Unrestricted	<u>14,028</u>
--------------	---------------

TOTAL LIABILITIES AND NET ASSETS \$ 1,652,434

The notes to the financial statements are an integral part of this statement.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED
Hahnville, Louisiana**

Statement of Activities
For the Year Ended December 31, 1997

UNRESTRICTED NET ASSETS	
Interest Revenue	\$ 749
Fiscal Project Payment	<u>1,800</u>
	<u>1,749</u>
Expenses:	
Auditing Expenses	<u>1,800</u>
	<u>1,800</u>
(INCREASE) IN UNRESTRICTED NET ASSETS	<u>749</u>
PERMANENTLY RESTRICTED NET ASSETS	
Interest Earned on Direct Financing and Fiscal Charge	199,189
Expenses:	
Interest Expense on Revenue Bonds and Fiscal Charges	<u>199,189</u>
(INCREASE) IN PERMANENTLY RESTRICTED NET ASSETS	<u>0</u>
(INCREASE) IN NET ASSETS	<u>749</u>
NET ASSETS AT BEGINNING OF YEAR	<u>13,318</u>
NET ASSETS AT END OF YEAR	<u>\$ 14,067</u>

The notes to the financial statements are an integral part of this statement.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED**
Bakerite, Louisiana

Statement of Cash Flows
For the Year Ended December 31, 1997

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in Net Assets	\$	349
------------------------	----	-----

Adjustments to Reconcile Change in Net Assets
to Net Cash Used by Operating Activities:

Changes in Operating Assets and Liabilities:

Decrease in Direct Financing Leases Receivable		1,618,719
--	--	-----------

Decrease in Accrued		
---------------------	--	--

Interest on Direct Financing Leases Receivable		12,439
--	--	--------

(Decrease) in Accounts Payable		(508)
--------------------------------	--	-------

(Decrease) in Accrued Bond Interest Payable		(12,489)
---	--	----------

(Decrease) in Revenue Bonds Payable		(1,819,942)
-------------------------------------	--	-------------

NET CASH USED BY OPERATING ACTIVITIES		<u>(111)</u>
--	--	--------------

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Investment		(22,115)
------------------------	--	----------

Securities Maturity		28,341
---------------------	--	--------

NET CASH USED FOR INVESTING ACTIVITIES		<u>(1,774)</u>
---	--	----------------

NET (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(1,821)</u>
--	--	----------------

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		4,441
---	--	-------

CASH AND CASH EQUIVALENTS AT END OF YEAR	\$	<u><u>2,598</u></u>
---	-----------	---------------------

SUPPLEMENTAL CASH FLOW INFORMATION:

Interest Paid	\$	<u>199,189</u>
---------------	-----------	----------------

The notes to the financial statements are an integral part of this statement.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED**
Bakerite, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 1997

INTRODUCTION

The Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated (the "Board"), is a non-profit corporation created under the provisions of Title 51, Chapter 7 of the Louisiana Revised Statutes of 1950. The Board was organized for the purpose of promoting, stimulating, developing, and advancing the business prosperity and economic welfare of the Parish of St. Charles, the State of Louisiana, and their citizens. It is to encourage and assist in the organization of new businesses or industries and to rehabilitate and assist existing businesses and industries, thus providing maximum opportunities for employment to improve the standard of living of the citizens of St. Charles Parish and the State of Louisiana. The Board is to cooperate and act in conjunction with other organizations, public or private, in the promotion and development of industrial, commercial, agricultural, and recreational development in the Parish of St. Charles and the State of Louisiana.

The powers and management of the Board are vested in and exercised by a seven-member board of directors, which is appointed by the St. Charles Parish Council. The governing body of the Parish of St. Charles must give prior approval before the board of directors or the corporation may bind itself regarding the financing of any capital project or the issuance of any bonds.

The Board, under the authority of its corporate charter and the laws of the State of Louisiana, has authority to issue industrial development revenue bonds. It derives its revenue from application fees charged to businesses who apply for the bonds. The application fee is non-refundable.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The financial statements of the Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

For financial reporting purposes, in conformance with Section 2108 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification), the Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated, includes all funds, account groups, and activities, that are controlled by the Board. Because the Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated, is a non-profit corporation as defined in Section 301 of Title 12 of the Louisiana Revised Statutes of 1908 (LSA-R.S. 1:28) (i) because the board of directors has the power to make, alter, and amend such bylaws, rules, and regulations for the operation of the affairs of the Board; and since the governing authority of the Parish of St. Charles, Louisiana, is not in any event liable for the payment of principal or interest on any bonds of the Board or the performance of any pledge or agreement of the Board; the Board is a separate governmental reporting entity. Certain units of local government over which the Board exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Board.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF St. CHARLES,
LOUISIANA, INCORPORATED**

Makerville, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 1991

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. FINANCIAL STATEMENT PRESENTATION

The Board has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Board 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.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The financial statements are reported on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include demand deposits and time certificates of deposit with an original maturity of three months or less. Under state law, the Board 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. There were no cash equivalents at December 31, 1991.

F. INVESTMENTS

Under state law, the Board may invest in United States bonds, treasury notes, or certificates. The Board has investments in United States Treasury bills, which are held by the Federal Reserve for the customer accounts of First National Bank of Commerce.

Because the investments are not in the Board's name and are not held by the Board or its agent, the investments are considered unsecured and uncollateralized (Category II) in applying the credit risk of GAAP Codification Section 158.164. At December 31, 1991, the Board has an investment in a United States Treasury Bill reported on the balance sheet at an amortized cost of \$11,543 and which has a market value of \$11,567.

G. 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 these estimates.

H. FIXED ASSETS AND LONG-TERM LIABILITIES

The Board owns no fixed assets, and long-term liabilities are reflected on the accompanying Statement of Financial Position.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED**
Baton Rouge, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. COMPENSATED ABSENCE AND PENSION PLAN

The Board has no employees; therefore, it does not have a formal vacation and sick leave policy and does not contribute to a pension plan.

**B. ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS RECEIVABLE FROM DIRECT FINANCING
LEASE AGREEMENTS**

The amount receivable from direct financing lease agreements represents the amount due from one corporation which is located in St. Charles Parish. The Board considers this amount to be fully collectible. Therefore, no allowance is deemed necessary by the Board.

2. CASH AND CASH EQUIVALENTS

At December 31, 1997, the Board had cash and cash equivalents (bank balances) totaling \$2,516 in an interest bearing demand deposit account.

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 bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the financial agent. At December 31, 1997, the Board had \$2,516 in deposits (collected bank balances). These deposits are fully insured from risk by federal deposit insurance.

3. RESTRICTED ASSETS - DIRECT FINANCING LEASES RECEIVABLE

The Board entered into direct financing lease agreements with various private corporations and issued industrial revenue bonds for the acquisition of various facilities. The various corporations lease these facilities from the Board for an amount necessary to pay principal, interest, and premiums, if any, on the industrial revenue bonds.

The minimum annual commitments from leases under the direct financing leases, including interest of \$844,873 to cover bonded debt, are as follows:

Year Ending	Amount
December 31,	
1998	\$ 100,873
1999	100,873
2000	100,873
2001	100,873
2002	100,873
2003	1,783,478
TOTAL	<u>\$ 2,588,813</u>

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED**

Bossierville, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 1997

4. CHANGES IN LONG-TERM DEBT

The following is a summary of the long-term liability transactions for the year ended December 31, 1997:

	Melrose Branch, Issued	King/John, Issued	TOTAL
Bonds Payable at Dec. 31, 1997	\$ 1,625,000	\$ 1,619,942	\$ 3,244,942
Debtors: 1997	0	1,619,942	1,619,942
Bonds Payable at Dec. 31, 1997	\$ 1,625,000	\$ 0	\$ 1,625,000

The industrial revenue bond is comprised of the following individual issues:

\$1,625,000 issue of June 1, 1983, for the Melrose Branch, Incorporated Project. Bonds mature on June 1, 2003 and bear interest at 8.9 per cent. Interest payments commenced on December 1, 1983, and are due thereafter on June 1 and December 1 of each year. The bonds may be redeemed prior to maturity on or after June 1, 1995, at the redemption price set forth in the bond indenture. Bank One serves as the trustee.

\$1,625,000

TOTAL INDUSTRIAL REVENUE BONDS:

\$1,625,000

All principal and interest requirements are funded in accordance with lease agreements whereby lease payments are equal to the semi-annual payments for principal and interest. The bonds are limited obligations of the Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated, payable solely from lease payments pledged and assigned to the trust by the Board under a Mortgage and Indenture of Trust. The bonds are secured by a Mortgage and Indenture of Trust and are also secured by an unconditional fiscal Guaranty Agreement between the issuer and the trustee. The issuer, after compliance with the provisions of the lease agreement and the indenture, is obligated to purchase the project for the sum of \$1,600. The bonds are due, by year, as follows:

THE INDUSTRIAL DEVELOPMENT BOARD
 OF THE PARISH OF ST. CHARLES,
 LOUISIANA, INCORPORATED
 Lakeville, Louisiana
 Notes to the Financial Statements (Continued)
 For the Year Ended December 31, 1997

4. CHANGES IN LONG-TERM DEBT - Continued

Year Ending December 31,	Principal Payments	Interest Payments	TOTAL
1998	\$ 0	\$ 160,873	\$ 160,873
1999	0	160,873	160,873
2000	0	160,873	160,873
2001	0	160,873	160,873
2002	0	160,873	160,873
2003	1,625,000	88,438	1,713,438
TOTALS	\$ 1,625,000	\$ 694,813	\$ 2,319,813

5. LITIGATION

There is no litigation pending against the Board at December 31, 1997.

6. SIGNIFICANT EVENTS

The Industrial Development Board of the Parish of St. Charles, Louisiana, Inc., adopted a resolution on March 17, 1997 authorizing an act-of-sale by the Industrial Development Board to Kingfisher, Inc., cancelling and discharging the fee of indenture, terminating and cancelling the lease and conveying title to the project to Kingfisher, Inc.; and redeeming all outstanding Industrial Development Bonds, Series 1984 (Kingfisher, Inc. Project). The Board received \$1,000 as final payment for the project.

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS
A PROFESSIONAL CORPORATION

5541 N. Louisiana Blvd. • Suite 500 • CO. Box 9802 • Metairie, LA 70002
Phone (504) 837-4433 • Fax (504) 837-0323 • E-mail:rebowa@rebowa.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the
Industrial Development Board of the
Parish of St. Charles, Louisiana, Incorporated
Hillville, Louisiana

We have audited the general purpose financial statements of the Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated (the "Board") as of and for the year ended December 31, 1997, and have issued our report thereon dated April 20, 1998. We conducted our audit in accordance with generally accepted auditing standards 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 Board'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 these 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 under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board'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 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 and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Deloitte & Company

April 20, 1998