

13

98101301

**OFFICIAL
PAGE COPY**
DO NOT REPRODUCE

These documents
appear from the
copy and PLANT
BANK in 1912

RESEARCH PARK CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 1987

RESEARCH PARK CORPORATION
10000 W. 10th Street
Midvale, UT 84046
801-261-1000

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

Release Date JUL 17 1988



RESEARCH PARK CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 1997



CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5 - 7
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Generally Accepted Auditing Standards	8 - 9



Postlethwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

8800 UNITED PLAZA BLVD., SUITE 5001 • BAYTOWN, MISSISSIPPI, 39015 • TELEPHONE (601) 833-6800 • FAX (601) 833-6811

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Research Park Corporation
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of Research Park Corporation (a not-for-profit corporation) as of December 31, 1997 and 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Research Park Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Research Park Corporation as of December 31, 1997 and 1998, and its activities and its cash flows for the years then ended in accordance with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 1998 on our consideration of the Research Park Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 12, 1998

RESEARCH PARK CORPORATION
BAYTON ROUGE, LOUISIANA

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1997 AND 1996

ASSETS

	<u>1997</u>	<u>1996</u>
CURRENT ASSETS		
Cash	\$ 480,846	\$ 48,511
Trade receivables	168,602	247,674
	<u>549,448</u>	<u>296,185</u>
PROPERTY AND EQUIPMENT		
Intangible plan - development cost	142,713	-
Furniture and equipment (net of accumulated depreciation of \$2,328 and \$888 at December 31, 1997 and 1996, respectively)	2,464	2,984
Land	4,180,808	4,058,089
	<u>4,325,985</u>	<u>4,119,063</u>
	<u>\$ 4,875,433</u>	<u>\$ 4,415,248</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 48,853
NET ASSETS		
Unrestricted	<u>4,814,625</u>	<u>4,366,395</u>
	<u>\$ 4,814,625</u>	<u>\$ 4,387,888</u>

The accompanying notes are an integral part of these statements.

RESEARCH PARK CORPORATION
BATON ROUGE, LOUISIANA

STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
REVENUES		
Tax revenue	\$ 501,507	\$ 343,074
Interest	3,764	4,174
	505,271	347,248
EXPENSES		
Advertising	1,271	-
Accounting fees	5,270	158
Administrative services	3,006	-
Telephone	802	-
Consulting fees	11,666	52,165
Depreciation	1,480	838
Dues	1,183	183
Legal expenses	89,780	30,440
Miscellaneous expenses	386	347
Office supplies	30	308
Postage	346	158
Printing	1,511	704
Travel	5,156	1,437
	112,961	100,975
CHANGE IN NET ASSETS	466,149	108,813
Net assets - beginning of the year	4,348,726	4,189,703
Net assets - end of year	\$ 4,814,875	\$ 4,298,516

The accompanying notes are an integral part of these statements.



RESEARCH PARK CORPORATION
BATON ROUGE, LOUISIANA

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 466,389	\$ 138,923
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,480	888
Changes in operating assets and liabilities:		
Taxes receivable	75,071	(243,674)
Accounts payable	<u>(48,857)</u>	<u>48,853</u>
Net cash provided by (used in) operating activities	<u>484,083</u>	<u>155,038</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	<u>(142,713)</u>	<u>(4,702)</u>
Net cash used in investing activities	<u>(142,713)</u>	<u>(4,702)</u>
NET INCREASE (DECREASE) IN CASH	341,370	150,336
CASH AT BEGINNING OF YEAR	<u>49,511</u>	<u>308,589</u>
CASH AT END OF YEAR	<u>\$ 408,946</u>	<u>\$ 498,925</u>

The accompanying notes are an integral part of these statements.



**RESEARCH PARK CORPORATION
BATON ROUGE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

1. Nature of Activities

The State of Louisiana transferred a tract of land to Research Park Corporation (the Corporation) (non-profit organization) to establish a research park. The purpose of the research park is to provide an area where various industries may set up their businesses while they are in the developmental stage. The park will be used to attract these businesses to Louisiana.

Two percent of the hotel-motel tax collections in East Baton Rouge Parish are dedicated to the East Baton Rouge Community Improvement Fund. Fifty percent of the monies collected by the Improvement Fund are allocated to Research Park Corporation.

2. Summary of Significant Accounting Policies

The financial statements of Research Park Corporation have been prepared on the accrual basis of accounting. The significant accounting policies followed are described to enhance the usefulness of the financial statements to the reader.

Property and Equipment

Property and equipment are stated at cost. Additions, renewals, and betterments that extend the life of these assets are capitalized. Maintenance and repair expenditures are expensed as incurred. Provisions for depreciation are computed using an accelerated method.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or losses are recognized in the statement of activities for that period.

Planning costs incurred in connection with the construction of the research park are capitalized until the park is completed. These assets will not be depreciated until construction is complete.

Income Taxes

Research Park Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes is necessary.

Cash

For purposes of reporting cash flows, cash includes highly liquid investments with original maturities of three months or less.



**RESEARCH PARK CORPORATION
BATON ROUGE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Corporation 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. The Corporation does not have any temporarily restricted or permanently restricted net assets.

3. Contingency

The State of Louisiana had previously purchased and transferred a certain tract of land to Research Park Corporation for the purpose of constructing a research park. A lawsuit has been filed against the State of Louisiana and the Corporation to rescind the sale of the land that was made on April 3, 1993. The plaintiff states that the land was sold for less than one half of the property's value. The plaintiff has recently filed amendments to the suit which are still being reviewed by management and legal counsel. The Corporation intends to defend the matter vigorously; however, the ultimate outcome of this lawsuit, and any effects on the Corporation's operations and financial position cannot be determined at this time.

4. Credit Risk

At December 31, 1993, the Corporation had bank balances in excess of the federally insured amount by \$305,744. The Corporation believes the credit risk associated with this is minimal.

5. Net Assets

The net assets of the Corporation are by definition unrestricted, but are to be used in the development of a research park. The ultimate disposition of the assets, if the research park is not developed, will revert back to the State of Louisiana. (See Note 7).

RESEARCH PARK CORPORATION
BALCON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

6. **Related Party**

The Corporation paid \$20,000 and \$15,000 during 1997 and 1996, respectively, in consulting fees as compensation to the President of the Corporation.

7. **Subsequent Events**

Research Park is currently negotiating to construct a multi-story building on a tract of land owned by Louisiana State University. The ultimate cost of the building is unknown at this time; however, construction is anticipated to begin in October.



Postlethwaite & Netterville

A Registered Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

8508 UNITED PLAZA SUITE 1000 ■ SAUVON ROUGE, LOUISIANA 70066 ■ TELEPHONE (504) 897-4800 ■ FAX (504) 897-0870

Report on Compliance and an Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Directors
Research Park Corporation
Baton Rouge, Louisiana

We have audited the financial statements of Research Park Corporation (a not-for-profit organization) as of and for the year ended December 31, 1997, and have issued our report thereon dated June 12, 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 a part of obtaining reasonable assurance about whether Research Park Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, non-compliance with which could have a material effect on the determination of the 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 non-compliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Research Park Corporation'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 misstatement 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 the Board of Directors and management of the Bonanza Park Corporation and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Paul & Associates / Metairieville

Baton Rouge, Louisiana
June 12, 1998



Pastlethwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

8500 BRITTED PLAZA BLVD., SUITE 501 • BAYTOWN BOULE, LOUISIANA 70084 • TELEPHONE (504) 661-8600 • FAX (504) 661-4811

To the Legislative Auditor
of the State of Louisiana

For the year ended December 31, 1995, the following management letter comment was issued following the audit:

Management of Research Park Corporation is not preparing a formal bank reconciliation at the end of the month. This is an essential control over the receipts and disbursements of the organization. This procedure should be performed and documented accordingly.

Management is now preparing formal bank reconciliations at the end of each month. We have reviewed this procedure during our current year audit.

Pastlethwaite & Netterville

Bayou Rouge, Louisiana
June 12, 1996

RECEIVED
LEGISLATIVE AUDITOR
JUN 13 1996