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RESEARCH PARK CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 1988

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Release Date **NOV 05 1988**



Postlethwaite & Netterville

an Equalized-Banking Corporation
STATE OF MISSISSIPPI REGISTERED

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LOUISIANA

RESEARCH PAPER CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 1998



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Postlethwaite & Netterville

A Professional Accounting Organization
CERTIFIED PUBLIC ACCOUNTANTS

8000 HWY 103 PLAZA BLDG. SUITE 1004 • BATON ROUGE, LOUISIANA 70803 • TELEPHONE (504) 805-8888 • FAX (504) 805-1177

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Research Park Corporation
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of Research Park Corporation (a not-for-profit organization) as of December 31, 1996, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Research Park Corporation's management. Our responsibility is to express an opinion on these 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 for General of the United States. These standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Research Park Corporation as of December 31, 1996, and the changes in 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 October 7, 1997 on our consideration of Research Park Corporation's internal control structure and a report dated October 7, 1997 on its compliance with laws and regulations.

Postlethwaite & Netterville

Baton Rouge, Louisiana
October 7, 1997

RESEARCH PAPER CORPORATION
BATON ROUGE, LOUISIANA

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1990

ASSETS

CURRENT ASSETS

Cash	\$ 49,511
Accounts receivable	<u>245,674</u>
	<u>295,185</u>

PROPERTY AND EQUIPMENT

Furniture and equipment (net of accumulated depreciation of \$882)	3,904
Land	<u>4,180,090</u>
	<u>4,183,994</u>

\$ 4,379,179

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 48,840
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NET ASSETS

(Shareholders)	<u>4,330,279</u>
----------------	------------------

\$ 4,379,179

The accompanying notes are an integral part of this statement.



RESEARCH PARK CORPORATION
BATON ROUGE, LOUISIANA

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 1968

REVENUES

Tax revenue	\$ 243,674
Interest	<u>8,124</u>
	<u>251,798</u>

EXPENSES

Consultant	52,185
Depreciation	898
Deer	795
Legal expenses	50,445
Miscellaneous expense	846
Office supplies	288
Postage	224
Printing	794
Travel	<u>2,457</u>
	<u>105,872</u>

CHANGE IN NET ASSETS

	138,926
Net Assets - beginning of the year	<u>4,282,391</u>
Net Assets - end of year	<u>\$ 4,421,317</u>

The accompanying notes are an integral part of this statement.

RESEARCH PARK CORPORATION
BATON ROUGE, LOUISIANA

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 1986

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets

\$ 108,919

Adjustments to reconcile increase in net assets
to net cash provided by operating activities:

Depreciation

800

Changes in operating assets and liabilities:

Taxes receivable

(203,674)

Accounts payable and accrued expenses

48,851

Net cash provided by operating activities

(55,954)

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures

(4,797)

Net cash used in investing activities

(4,797)

NET INCREASE IN CASH

(59,756)

CASH AT BEGINNING OF YEAR

308,304

CASH AT END OF YEAR

\$ 248,548

The accompanying notes are an integral part of this statement.

RESEARCH PARK CORPORATION
BATON ROUGE, LOUISIANA

Page 1 of 2

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Nature of Activities

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.

In a prior year, the State of Louisiana had transferred a 34,000,000 tract of land to Research Park 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 is to be used to attract various 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.

B. 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 gains or losses are recognized in the statement of activities for that period.

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.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make 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.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

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.

2. Contingency

The State of Louisiana had previously transferred a certain tract of land to Research Park Corporation for the purpose of constructing a research park. A lawsuit action has been filed to restrain the sale of the land that was made on April 3, 1995. The plaintiff states that the land was sold for less than one half of the property's value. Research Park intends to defend the matter vigorously. The ultimate outcome of this lawsuit cannot be determined at this time.



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Independent Auditors' Report on Internal Control Structure 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, 1996, and have issued our report thereon dated October 7, 1997.

We have 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 financial statements are free of material misstatement.

The management of Research Park Corporation is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Research Park Corporation as of and for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion of the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose 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 structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Research Park Corporation in a separate letter dated October 7, 1997.

This report is intended for the information of the Board of Directors and management of the Research Park Corporation, State of Louisiana, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Robert H. White, Jr. Metairieville

Baton Rouge, Louisiana
October 7, 1997



Postlethwaite & Netterville

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**Independent Auditors' Report on Compliance
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, 1996, and have issued our report thereon dated October 7, 1997.

We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to Research Park Corporation is the responsibility of the organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the organization's compliance with certain provisions of laws and regulations. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Directors and management of the Research Park Corporation, State of Louisiana, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Postlethwaite & Netterville

Baton Rouge, Louisiana
October 7, 1997



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8008 UNITED PLAZA DRIVE, SUITE 1000 • BAYLOR REGION, LUISIANA 70001 • TELEPHONE (504) 833-4888 • FAX (504) 833-4111

To the Finance Committee and
the Management of the Research Park Corporation

In planning and performing our audit of the financial statements of Research Park Corporation, for the year ended December 31, 1997, we considered its internal control 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. However, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect Research Park Corporation's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

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

This report is intended solely for the information and use of the Financial Committee, Management, and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Postlethwaite & Netterville

Dale Dougan, Louisiana
October 7, 1997



Postlethwaite & Netterville

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To the Finance Committee and
the Management of the Research Park Corporation

In planning and performing our audit of the financial statements of Research Park Corporation, for the year ended December 31, 1997, we considered its internal control 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. However, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect Research Park Corporation's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

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This report is intended solely for the information and use of the Financial Committee, Management, and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Postlethwaite & Netterville

Bayou Rouge, Louisiana
October 7, 1997

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RESEARCH PARK CORPORATION

October 25, 1997

Legislative Auditor
ATTN: Sadie Rowal
P. O. Box 94397
Baton Rouge, LA 70804-6397

Dear Sadie:

After reviewing the audit and the management letter, the Research Park Corporation will continue to improve our internal controls to insure continued financial responsibility.

The Research Park Corporation is reconciling the bank statements each month manually. Based on the audit recommendation, this will be performed on the computer program to have a comprehensive record of the balances. This will help the Research Park Corporation better control its operations.

If you have any questions or comments, please contact me at your convenience.

Sincerely,

Charles F. D'Agostino
President
Research Park Corporation