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TANGIPAHOA INDUSTRIAL DEVELOPMENT FOUNDATION, INC.

Financial Statements and Independent Auditor's Report
Year Ended June 30, 1999

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 of court

Release Date 1-12-00

Anthony B. Baglio, C.P.A., A.P.A.C.
Certified Public Accountants

TANGIPAOA INDUSTRIAL DEVELOPMENT FOUNDATION, INC.

As of and for the year ended June 30, 1999

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ANTHONY B. BAGLIO CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2011 Rue Simone
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(504) 542-4155

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Tangipahoa Industrial Development Foundation, Inc.
D.B. A. Tangipahoa Economic Development Foundation
PO Box 639
Hammond, Louisiana 70404

I have audited the accompanying statement of financial position of Tangipahoa Industrial Development Foundation, Inc. (a nonprofit organization) as of June 30, 1999, and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tangipahoa Industrial Development Foundation, Inc as of June 30, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.



Hammond, Louisiana
December 16, 1999

TANGIPAHOA INDUSTRIAL DEVELOPMENT FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1999

ASSETS:

Current Assets

Cash and cash equivalents \$ 108,262

Total Current Assets 108,262

Property, Plant, and Equipment

Office & other equipment 28,059

Total Property, Plant, and Equipment 28,059

Less: Accumulated depreciation (24,055)

Total Property, Plant, and Equipment 4,004

Total Assets \$ 112,266

LIABILITIES AND NET ASSETS:

Current Liabilities

Accounts payable 915

Payroll taxes payable 1,385

Accrued salaries and related benefits 2,512

Total Current Liabilities 4,812

Long Term Liabilities 0

Total Liabilities 4,812

Net Assets

Unrestricted 107,454

Total Net Assets 107,454

Total Liabilities and Net Assets \$ 112,266

See accompanying notes to financial statement

TANGIPAHOA INDUSTRIAL DEVELOPMENT FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 1999

SUPPORT AND REVENUE

Grants and contracts	\$ 83,313
Membership dues	42,713
Fund raising	17,324
Contributions	500
Sublease	3,050
Miscellaneous	940
Interest	2,462
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TOTAL SUPPORT AND REVENUE	150,302
	<hr/>

EXPENSES

Advertising	196
Bank Charges	205
Banquet Cost	7,132
Depreciation	2,376
Dues and Subscriptions	616
Equipment Lease	2,571
Insurance	4,959
Interest	7
Meetings	153
Non-deductable penalties	45
Office Expense	3,584
Postage	1,719
Printing	4,168
Professional Fees	2,550
Rent	5,200
Repairs	43
Salaries & Related Expenses	60,637
Taxes, License, & Permits	85
Telephone & Internet Service	5,653
Travel & Development	9,035
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TOTAL EXPENSES	110,934
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INCREASE IN NET ASSETS	39,368
NET ASSETS AT BEGINNING OF YEAR	68,086
	<hr/>
NET ASSETS AT END OF YEAR	\$ 107,454
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See accompanying notes to financial statements

TANGIPAHOA INDUSTRIAL DEVELOPMENT FOUNDATION, INC,
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 39,368
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	2,376
(Increase) decrease in operating assets:	
Accounts receivable	698
Increase (decrease) in operating liabilities:	
Accounts payable	659
Accrued payroll	2,512
Other accrued expenses	<u>(1,832)</u>
 Net cash provided by operating activities	 <u>\$ 43,781</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Payment for property and equipment	<u>(2,595)</u>
 Net increase in cash and cash equivalent	 41,186
Cash and cash equivalent - Beginning of year	<u>67,076</u>
Cash and cash equivalent - End of year	<u><u>\$ 108,262</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year for:	
Interest	<u><u>\$ 7</u></u>

See accompanying notes to financial statements

TANGIPAHOA INDUSTRIAL DEVELOPMENT FOUNDATION, INC.

Notes to Financial Statements
Year Ended June 30, 1999

1. NATURE OF ACTIVITIES AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES

The Tangipahoa Industrial Development Foundation, Inc (the Organization) is a nonprofit organization, which is governed by a board of directors. The Organization was formed in July 1978 to promote the business interest of the Parish of Tangipahoa, Louisiana. The Organization is funded mainly through membership dues and state appropriations. They also receive funds from local fund raising activities, and donations from businesses and individuals. Consequently, the Organization's ability to earn revenue is affected by state governmental policies.

A. 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 Organization 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.

B. CONTRIBUTIONS

The Organization has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. The Organization received services donated by various individuals. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116.

C. BASIS OF ACCOUNTING

The accompanying financial statements of Tangipahoa Industrial Development Foundation, Inc. are being presented on the accrual basis of accounting as follows:

Revenues

Tangipahoa Industrial Development Foundation, Inc. receives a substantial portion of its revenues from grants. Revenues from grants are reported in the period in which the revenues are earned. All other revenues are recorded when received.

Expenditures

Expenditures are recorded in the period they are incurred.

TANGIPAHOA INDUSTRIAL DEVELOPMENT FOUNDATION, INC.

Notes to Financial Statements (Continued)

Year Ended June 30, 1999

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes demand deposits and interest bearing demand deposits. Cash also includes amounts in the petty cash fund. Cash and cash equivalents are stated at cost, which approximates market, and are insured through the Federal Deposit Insurance Corp. (FDIC).

E. PROPERTY, PLANT AND EQUIPMENT

Property and equipment are carried at cost. Donations of property and equipment are recorded as support at their estimated fair market value. Property and equipment are depreciated using the straight-line method at rates based on the following estimated useful lives:

Computers	5	years
Vehicle	5	years
Equipment	7	years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of an asset, the cost of the asset and the related resulting gain or loss is included in the statement of income. Depreciation expense for the year ending June 30, 1999 is \$2,376.

F. 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.

G. INCOME TAXES

Tangipahoa Industrial Development Foundation, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

H. VACATION AND SICK LEAVE

Full time employees earn vacation days as follows:

One Full Year	Five days
Two through Ten Years	Ten days
Over Ten Years	Fifteen days

TANGIPAHOA INDUSTRIAL DEVELOPMENT FOUNDATION, INC.

Notes to Financial Statements (Continued)

Year Ended June 30, 1999

No more than 5 days of accrued vacation may be carried over to the following year. Any days over the five-day limit will be forfeited. Any unused accrued annual leave is paid on an employee's termination if at least 10 working days notice is given.

All full time employees earn 4 hours of sick leave per month. No more than 40 hours can be accrued in a calendar year. A maximum of 40 hours can be carried to the following year. Pay in lieu of sick leave is not allowed. Any unused sick leave is forfeited upon termination. Therefore, no accruals for sick leave are reflected in these financial statements.

All full time employees will be given 1 day in the area and a maximum of 2 days out of the area of paid funeral leave. This is applicable only for the loss of a member of the immediate family – this includes spouse, children, parents, grandparents, brothers, sisters, and grandchildren as well as in-laws. In-laws are defined as your present spouse's (not prior spouse) immediate family.

An employee will also receive jury leave at his/her regular rate of pay if he/she notifies his/her immediate supervisor upon receiving a summons for jury duty and provides adequate proof of jury duty.

I. RETIREMENT SYSTEM

Employees of Tangipahoa Industrial Development Foundation, Inc. participate in the Social Security System. Tangipahoa Industrial Development Foundation, Inc provides the matching portion of the Social Security contributions. Tangipahoa Industrial Development Foundation, Inc has no liability for any pension benefits.

Effective July 01, 1999 Tangipahoa Industrial Development Foundation, Inc. established a Simple Plan whereby the Organization matches three percent of employee contributions.

2. CASH & CASH EQUIVALENTS

At June 30, 1999, Tangipahoa Industrial Development Foundation, Inc. had cash & cash equivalents totaling \$108,262., as follows:

Operation account	\$ 108,062.
Petty cash	200.

Total	\$ 108,262.
	=====

TANGIPAHOA INDUSTRIAL DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements (Continued)
Year Ended June 30, 1999

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

As of June 30, 1999 the Organization has \$111,615. in deposits (collected bank balances). These deposits are secured from risk by \$100,000. of federal deposit insurance. The remaining balance of \$11,615. is not insured.

3. COMMITMENTS

As of June 30, 1999, Tangipahoa Industrial Development Foundation, Inc. had the following leases. The first dated June 01, 1999 for a term of one year with a monthly rental of \$400.00. This lease was terminated in August, 1999. A new lease was signed on August 02, 1999 effective September 01, 1999 with a monthly rental of \$600.00. These rentals are for the office space used by the Organization. The Organization also has a lease for a copy machine dated July 07, 1998 for a term of sixty months with a monthly rental of \$137.00. The minimum rentals on an annual basis for all leases are as follows:

Fiscal year ending June 30, 2000	\$ 8,444.
Fiscal year ending June 30, 2001	\$ 2,244.
Fiscal year ending June 30, 2002	\$ 1,644.
Fiscal year ending June 30, 2003	\$ 1,644.

4. YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Organization's operations in 1999 and beyond. Tangipahoa Industrial Development Foundation, Inc. is of the opinion they are year 2000 compliant. The Organization is dependent on funding from various sources. The effect, if any, the year 2000 compliance would have on the Organization's ability to obtain funding is not determinable.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Organization's remediation efforts will be successful in whole or in part, or that the individuals and or agencies that fund the Organization will be year 2000 ready.

**Report on Compliance and on Internal Control Over Financial Reporting Based on An
Audit of Financial Statements Performed In Accordance With *Government Auditing
Standards***

ANTHONY B. BAGLIO CPA
A PROFESSIONAL ACCOUNTING CORPORATION
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Hammond, Louisiana 70403
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Tangipahoa Industrial Development Foundation, Inc.
D.B.A. Tangipahoa Economic Development Foundation
PO Box 639
Hammond, Louisiana 70404

I have audited the financial statements of Tangipahoa Industrial Development Foundation, Inc. (a nonprofit organization) as of and for the year ended June 30, 1999, and have issued my report thereon dated December 16, 1999. I conducted my 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 Tangipahoa Industrial Development Foundation, Inc.'s financial statements are free of material misstatement, I 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 those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Tangipahoa Industrial Development Foundation, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I have noted other matters involving the internal control over financial reporting that I have reported to the Tangipahoa Industrial Development Foundation, Inc, in a separate letter dated December 16, 1999.

This report is intended for the information of the audit committee, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Hammond, Louisiana
December 16, 1999

ANTHONY B. BAGLIO CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2011 Rue Simone
Hammond, Louisiana 70403
(504) 542-4155

MANAGEMENT LETTER

Board of Directors
Tangipahoa Industrial Development Foundation, Inc.
D.B.A. Tangipahoa Economic Development Foundation
PO Box 639
Hammond, Louisiana 70404

Gentlemen:

In planning and performing my audit of the financial statements of Tangipahoa Industrial Development Foundation, Inc. for the year ending June 30, 1999, I considered the Organization's internal control structure to plan my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

However, during my audit, I noted certain matters, involving the internal control structure and other operational matters that are presented for your consideration. I previously reported on the Organization's internal control structure in my report dated December 16, 1999. This letter does not affect my report dated December 16, 1999, on the financial statements of Tangipahoa Industrial Development Foundation, Inc.

I will review the status of these comments during my next audit engagement. My comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. I will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. My comments are summarized as follows:

FINDING NO. 1

FIDELITY BONDS

It was noted in reviewing the insurance that fidelity bond coverage was not in effect during the fiscal year ending June, 1999. Due to the amount of money that is being handled by the Organization, it would appear that fidelity bond coverage would be appropriate.

RECOMMENDATION

Meet with you insurance agent and look at the feasibility of getting coverage.

MANAGEMENT RESPONSE

We feel it is a good idea and will look into the matter.

FINDING NO. II

BANK DEPOSITS

It was noted during the audit of cash that the Foundation is maintaining a cash balance in excess of FDIC insurance, and has no pledged security agreement with the financial institution.

RECOMMENDATION

Either move the excess funds to another institution or obtain a pledged security agreement with the financial institution.

MANAGEMENT RESPONSE

We are presently looking into moving some of the bank balances to a different financial institution and will monitor the deposits in the future to make certain that we don not have any uninsured deposits in either bank.

FINDING NO. III

BANK RECONCILIATIONS

It was noted during the audit of cash that although the bank account is being reconciled to the checkbook each month, it is not being reconciled to the general ledger. The cash per general ledger did not match the bank reconciliation form.

RECOMMENDATION

Each month when the reconciliation is prepared it should also be reconciled to the general ledger.

MANAGEMENT RESPONSE

We will begin reconciling the check book to the general ledger each month, and have made arrangements with a CPA firm to go over the general ledger quarterly.

I would like to thank you and your staff for the helpful cooperation I received during my audit.

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



Anthony B. Baglio, CPA
Hammond, Louisiana
December 16, 1999