

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF JENNINGS, INC.
Jennings, Louisiana**

**Component Unit Financial Statements
June 30, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted 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 2-2-05

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF JENNINGS, INC.
JENNINGS, LOUISIANA**

**COMPONENT UNIT FINANCIAL STATEMENTS
JUNE 30, 2004**

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant's Compilation Report on Component Unit Financial Statements	2
Component Unit Financial Statements	
Balance Sheet	3
Statement of Revenues, Expenditures, And Changes in Fund Balance	4
<i>Statement of Revenues, Expenditures, and Changes In Fund Balance-Budget and Actual</i>	5
Notes to the Financial Statements	6-9
Additional Reports	10
Independent Accountant's Report on Applying Agreed Upon Procedures	11-13
Louisiana Attestation Questionnaire	14-15
Summary Schedule of Prior Attestation Findings	16
Corrective Action Plan for Current Year Audit Findings	17

EDWARD L. KRIELOW

A PROFESSIONAL ACCOUNTING CORPORATION

510 N. CUTTING

P. O. DRAWER 918

JENNINGS, LA 70546

(318) 824-5007

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Industrial Development Board of the
City of Jennings, Inc.
Jennings, Louisiana

I have compiled the accompanying component unit financial statements of the Industrial Development Board of the City of Jennings, Inc., as of June 30, 2004, and for the year then ended, in accordance with 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. I have not audited or reviewed the accompanying component unit statements, and, accordingly, do not express an opinion or any other form of assurance on them.

Edward L. Krielow

Jennings, Louisiana
December 19, 2004

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF JENNINGS, INC.
JENNINGS, LOUISIANA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2004

	GOVERNMENTAL FUND TYPE	ACCOUNT GROUP	2004 TOTAL (MEMORANDUM ONLY)
<u>ASSETS</u>	GENERAL FUND	GENERAL FIXED ASSETS	
Cash & cash equivalents	\$ 15,638	\$ 0	\$ 15,638
Property, plant and equipment	0	351,147	351,147
Other Assets	855	0	855
TOTAL ASSETS	\$ 16,493	\$ 351,147	\$ 367,640
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 0
Fund Balance:			
Investment in general fixed assets	0	351,147	351,147
Unreserved-undesignated	16,493	0	16,493
Total Fund Balance	\$ 16,493	\$ 351,147	\$ 367,640
TOTAL LIABILITIES AND FUND BALANCE	\$ 16,493	\$ 351,147	\$ 367,640

The Accompanying Notes And Compilation Report Are An Integral Part Of This Statement

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF JENNINGS, INC.
JENNINGS, LOUISIANA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES

Intergovernmental Revenue:		
City of Jennings	\$	35,000
Use of money and property:		
Interest income		88
Miscellaneous revenue:		
Disposition of asset		740
Total Revenues	<u>\$</u>	<u>35,828</u>

EXPENDITURES

Operating services:		
Materials and supplies	\$	773
Travel and other charges		735
Advertising, dues & subscriptions		6,128
Other expenses:		
Professional Fees		750
Contract Labor		650
Bank Charges		12
Capital outlay:		
Strand Improvements		13,084
Founders Park Improvements		24,619
Furniture & Equipment		820
Grants		
Façade Rehab		1,250
Total Expenditures	<u>\$</u>	<u>48,821</u>

Excess of (expenditures) over revenues	\$	(12,993)
Fund balance (deficit), beginning of year		<u>29,486</u>
Fund balance, end of year	<u>\$</u>	<u>16,493</u>

The Accompanying Notes And Compilation Report Are An Integral Part Of This Statement

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF JENNINGS, INC.
JENNINGS, LOUISIANA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Intergovernmental Revenue:			
City of Jennings	\$ 35,000	\$ 35,000	\$ 0
Use of money and property:			
Interest income	0	88	88
Miscellaneous revenue:			
Disposition of asset		740	740
Total Revenues	<u>\$ 35,000</u>	<u>\$ 35,828</u>	<u>\$ 828</u>
EXPENDITURES			
Operating services:			
Materials and supplies	\$ 0	\$ 773	\$ (773)
Travel and other charges		735	(735)
Advertising, dues & subscriptions	2,900	6,128	(3,228)
Other expenses:			
Audit Fees	750	750	0
Contract Labor	1,800	650	1,150
Bank Charges		12	(12)
Capital outlay:			
Strand Improvements	16,000	13,084	2,916
Founders Park Improvements		24,619	(24,619)
Furniture & Equipment		820	
Grants			
Façade Rehab	3,396	1,250	2,146
Total Expenditures	<u>\$ 24,846</u>	<u>\$ 48,821</u>	<u>\$ (23,975)</u>
Excess of expenditures over revenues	<u>\$ 10,154</u>	<u>\$ (12,993)</u>	<u>\$ (23,147)</u>
Fund balance (deficit), beginning of year	<u>30,254</u>	<u>29,486</u>	<u>(768)</u>
Fund balance, end of year	<u>\$ 40,408</u>	<u>\$ 16,493</u>	<u>\$ (23,915)</u>

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF JENNINGS, INC.
Jennings, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Industrial Development Board of the City of Jennings, Inc. (the Board) was incorporated May 30, 1990, and is a quasi-public corporation. A quasi-public corporation is a corporation created specifically to assist government in providing public services via public funds flowing through the corporation. The Board was created and authorized by state statute to provide on-going public services of economic development in and around the City of Jennings. As such, it is controlled by the creating state statutes and subject to the general laws of the state, as well as the grant and contract provisions of its funding agencies. In general it is subject to the same laws and constraints as its public agency counterparts. The Board is governed by a Board of Directors who are appointed by the City Council of the City of Jennings to varying terms. No compensation is paid to the Board members. The following is a summary of the more significant policies.

A. BASIS OF PRESENTATION

The accompanying financial statements 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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is the financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City to impose its will on the organization and /or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organization for which the City does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF JENNINGS, INC.
Jennings, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2004**

Because the Industrial Development Board is fiscally dependent on the City of Jennings, the Board was determined to be a component unit of the City of Jennings, the governing body with the oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Board and do not present information of the City of Jennings, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. FUND ACCOUNTING

The accounts of the Board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, as appropriate. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. 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. The funds and account groups presented in the financial statements are grouped into generic fund types and broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund-The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in other funds.

FIXED ASSETS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

D. 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 measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental fund used the following practices in recording revenues and expenditures:

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF JENNINGS, INC.
Jennings, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2004**

Revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

E. BUDGETARY PRACTICES

The Board used the following budgetary practices;

For the year ended June 30, 2004, the Board adopted a budget for the general fund on a basis consistent with generally accepted accounting principles (GAAP). Periodic budget comparisons were made during the year and amendments were made when deemed necessary. All budgetary appropriations lapse at the end of each fiscal year. Formal encumbrance accounting is not utilized by the Board.

The Board did not make any amendments to its budget included in this report.

F. PERSONNEL POLICIES

The Board has no employees and accordingly has no personnel policies.

G. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH AND CASH EQUIVALENTS

Pursuant to 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 the laws of Louisiana and National Banks having principal offices in the State. Investments may include instruments or obligations issued by the

United States Government or its agencies, time certificates of deposit of certain banks, or any other federally issued investment. At June 30, 2004, the Board has cash and cash equivalents (all unrestricted) totaling \$15,638 as follows:

Interest bearing demand deposits	<u>\$ 15,638</u>
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**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF JENNINGS, INC.
Jennings, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2004**

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. Cash and cash equivalents (bank balances) at June 30, 2004, are secured as follows:

Bank Balance	<u>\$ 15,638</u>
Insured (FDIC)	<u>\$ 15,638</u>

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance At 7-1-2003</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance At 6-30-2004</u>
Improvements	\$ 217,111	\$ 13,739	\$	\$ 230,850
Equipment	11,622	820	1,840	10,602
Buildings	55,271			55,271
Other	<u>30,460</u>	<u>24,619</u>	<u> </u>	<u>55,079</u>
Total	<u>\$ 314,464</u>	<u>\$ 39,178</u>	<u>\$ 1,840</u>	<u>\$ 351,802</u>

4. COMPENSATION PAID TO BOARD MEMBERS

The Board paid no compensation to board members for the year ended June 30, 2004.

5. LITIGATION

At June 30, 2004, the Board was not involved in any litigation.

ADDITIONAL REPORTS

EDWARD L. KRIELOW
A PROFESSIONAL ACCOUNTING CORPORATION
510 N. CUTTING
P. O. DRAWER 918
JENNINGS, LA 70546
(318) 824-5007

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Industrial Development Board of the
City of Jennings, Inc.
Jennings, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Industrial Development Board of the City of Jennings, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Industrial Development Board's compliance with certain laws and regulations during the year ended June 30, 2004 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, I make no representations 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 \$20,000, 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).

I examined the Industrial Development Board's expenditures during the year and found none for material and supplies which exceeded \$20,000 or any for public works which exceeded \$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 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.

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

The Board has no employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

The Board has no employees; therefore this determination is not applicable.

Budgeting

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

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

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

I traced the adoption of the original budget to the minutes of a meeting held on June 24, 2003. No amendments were made to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

Since the Board does not have any special revenue funds with anticipated expenditures of \$250,000 or more, it is exempt from this procedure.

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;

I examined supporting documentation for each of the six selected disbursements and found that the payment was for the correct payee and proper amount, except for one payment. One invoice was overpaid by \$655 when the Board failed to claim a discount to which they were entitled. The vendor in question was contacted and has agreed to refund the overpayment..

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the payments examined were either properly coded to the correct fund and general ledger account or corrected with year end adjusting entries.

- (c) determine whether payments received approval from proper authorities;

Inspection of documentation supporting each of the six selected disbursements indicated approvals by an authorized individual.

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).

The Industrial Development Board posts a notice of each meeting on the door of the Board's museum building where the meetings are held at least 24 hours before any scheduled meeting.

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.

I inspected copies of all 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, advances, or gifts.

The Board has no employees; therefor the procedure is not applicable.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Industrial Development Board of the City of Jennings, Inc. 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. However, this report is a matter of public record and its distribution is not limited.

Edward L. Krielow

Jennings, Louisiana
December 19, 2004

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

_____ (Date Transmitted)

KRIELOW & COMPANY APAC
510 NORTH CUTTING AVE.
Jennings, LA 70546

(Auditors)

In connection with your review 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 regulations 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 (date of completion/representations).

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 []

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 [] 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 [] 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 []

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 [] 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

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

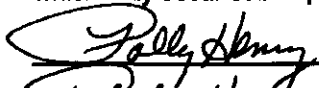
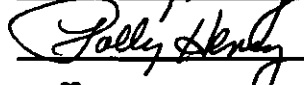

Advances and Bonuses

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

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.

	Secretary	<u>12-7-04</u>	Date
	Treasurer	<u>12-7-04</u>	Date
	President	<u>12-7-04</u>	Date

**INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF JENNINGS, INC.
JENNINGS, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
2003-1	2003	Management failed to prepare and adopt a budget for the year ended June 30, 2003. LA Revised Statutes 39:1305 and 39:1308 require that budgets be prepared and submitted to the board 15 days prior and adopted before the beginning of each fiscal year.	Yes	July, 2003

**INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF JENNINGS, INC.
JENNINGS, LOUISIANA**

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004**

Reference No.	Description of Finding	Corrective Action Planned	Person(s)	Completion Date
2004-1	In the test of disbursements, it was noted that one invoice was overpaid in the amount of \$655. This occurred when the Board failed to claim a discount to which it was entitled.	The vendor will be contacted and a request for refund of the overpayment will be made. Also, the individual responsible for payment of the Board's invoices will be instructed to review all payments for proper amounts, including any discounts to which the Board is entitled.	Polly Henry	December 2004