



**The Industrial Development Board
Of the Parish Of
St. Charles, Louisiana, Inc.**

FINANCIAL STATEMENTS

December 31, 2020 and 2019





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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Hahnville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Industrial Development Board of the Parish of St. Charles, Louisiana, Inc. (a nonprofit public corporation) (the Board), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 12 is presented for purposes of additional analysis and as required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana

June 28, 2021

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Statements of Financial Position**

| <i>December 31,</i> | 2020 | 2019 |
|---|---------------------|--------------------|
| Assets | | |
| Current assets | | |
| Cash | \$ 526 | \$ 666 |
| Cash equivalent - LAMP | 87,385 | 69,838 |
| Accounts receivable | 17,000 | 17,000 |
| Total assets | \$ 104,911 | \$ 87,504 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Due to other governments | \$ 7,500 | \$ 3,500 |
| Total liabilities | 7,500 | 3,500 |
| Net assets | | |
| Without donor restrictions | 97,411 | 84,004 |
| Total net assets | 97,411 | 84,004 |
| Total liabilities and net assets | \$ 104,911 | \$ 87,504 |

The accompanying notes are an integral part of these financial statements.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Statements of Activities**

For the years ended December 31,

| | 2020 | 2019 |
|--|-----------------------------|-----------------------------|
| | <i>Without Donor</i> | <i>Without Donor</i> |
| | <i>Restrictions</i> | <i>Restrictions</i> |
| Revenue and Other Support | | |
| Interest income | \$ 547 | \$ 1,549 |
| Administrative rental fee | 17,000 | 17,000 |
| Total revenue and other support | 17,547 | 18,549 |
| Expenses | | |
| Support | 4,140 | 3,597 |
| Total expenses | 4,140 | 3,597 |
| Change in Net Assets | 13,407 | 14,952 |
| Net assets at beginning of year | 84,004 | 69,052 |
| Net assets at end of year | \$ 97,411 | \$ 84,004 |

The accompanying notes are an integral part of these financial statements.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Statements of Cash Flows**

| <i>For the years ended December 31,</i> | 2020 | 2019 |
|---|------------------|---------------|
| Operating Activities | | |
| Change in net assets | \$ 13,407 | \$ 14,952 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities | | |
| Changes in operating assets and liabilities | | |
| Due to other governments | 4,000 | 500 |
| Net cash provided by (used in) operating activities | 17,407 | 15,452 |
| Net change in cash and cash equivalents | 17,407 | 15,452 |
| Cash and cash equivalents at beginning of year | 70,504 | 55,052 |
| Cash and cash equivalents at end of year | \$ 87,911 | \$ 70,504 |

The accompanying notes are an integral part of these financial statements.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Notes to Financial Statements**

Note 1: DESCRIPTION OF THE ORGANIZATION

The Industrial Development Board of the Parish of St. Charles, Louisiana, Inc. (a nonprofit public corporation) (the Board), is a non-profit public 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. The Board's function 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 to 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 Board 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. In addition to the application fee, the private corporation pays an administrative rental payment to the Board for the administration of the agreement and related industrial revenue bonds, and supplemental rental payments as defined in the direct financing lease agreements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Cash Equivalents - LAMP

Under Louisiana State law, the Board may invest in United States bonds, treasury notes, certificates, or LAMP, a local government investment pool. The Board has cash equivalents as of December 31, 2020 and 2019 that are held in LAMP.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are stated at unpaid balances. Management believes all balances are collectible thus no allowance for doubtful accounts is considered necessary.

Net Assets

The Board reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Board, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has not designated, from net assets without donor restrictions, any net assets for an operating reserve or capital assets reserve.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. There were no net assets with donor restrictions at December 31, 2020 and 2019.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Revenues are recognized when they are earned. The main source of revenue is from annual administrative fees which are fees collected on projects (with or without a bond issuance) that involve a PILOT (payment in lieu of taxes) agreement.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and Note 6.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Board has been recognized as a non-profit public corporation created under the provisions of Title 51, Chapter 7 of the Louisiana Revised Statutes of 1950 and is exempt from federal income taxes on related income pursuant to Sec. 501(a) of the IRC. Management believes there are no uncertain tax positions included in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2021. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 3: CASH EQUIVALENTS - LAMP

The Board holds cash equivalents in LAMP, a local government investment pool. This pool is administered by a non-profit corporation, Louisiana Asset Management Pool, Inc., which was organized under the laws of the State of Louisiana and is not required to be a registered investment company under the Investment Company act of 1940; however, its policies are similar to those established by Rule 2a7, which governs registered money market funds. Only local government entities having contracted to participate in LAMP have an interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments and cash equivalent options.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-RS 33:2955.

LAMP is rated AAA by Standard & Poor's. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP's balances are stated at fair value based on quoted market values. The fair values of the assets are determined on a weekly basis to monitor any variances between amortized costs and fair values. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At December 31, 2020 and 2019, the Board has cash equivalents in LAMP totaling \$87,385 and \$69,838, respectively.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Notes to Financial Statements**

Note 4: LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Board has \$104,911 of financial assets available within one year of the balance sheet date as of December 31, 2020 consisting of cash of \$526, cash equivalents in LAMP of \$87,385, and accounts receivable of \$17,000. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for the general expenditure within one year of the balance sheet date. The financial assets available within one year of the statement of financial position date are sufficient to meet general expenditures over the year.

The Board has \$87,504 of financial assets available within one year of the balance sheet date as of December 31, 2019 consisting of cash of \$666, cash equivalents in LAMP of \$69,838, and accounts receivable of \$17,000. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for the general expenditure within one year of the balance sheet date. The financial assets available within one year of the statement of financial position date are sufficient to meet general expenditures over the year.

Note 5: DIRECT FINANCING LEASES (PILOT PROGRAM)

The Board enters into direct financing lease agreements with private corporations and issues industrial revenue bonds for the acquisition of facilities. The private corporations lease these facilities from the Board for an amount necessary to pay principal, interest, and premiums, if any, on the industrial revenue bonds. Since tax-exempt bonds provide the incentive of a below-market interest rate and the related facilities are exempt from ad valorem tax for the life of the direct financing lease agreement, the private corporations also make Payments in Lieu of Taxes (PILOT) that are collected by the Board and remitted to the collector of taxes to distribute to tax recipient bodies in the same proportion as ad valorem tax would be distributed for the tax year in question. In addition, the private corporation pays an administrative rental payment to the Board for the administration of the agreement and related industrial revenue bonds, and supplemental rental payments as defined in the direct financing lease agreements.

During the year ended December 31, 2015, the Board entered into a 22 year lease with a private corporation. As part of the agreement, the lessor (the Board) agrees to issue bonds from time to time for up to \$18 million in aggregate at the request of the lessee. As of December 31, 2020 and 2019, no bonds have been issued related to this lease. The Board collects PILOT payments and remits to the tax collector for distribution. For its service related to this lease, the Board annually collects \$17,000 of administrative rental payment recognized as revenue without restriction in the statements of activities.

For the years ended December 31, 2020 and 2019, the Board recognized \$17,000 and \$17,000 of administrative rental fee revenue, respectively.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Notes to Financial Statements**

Note 6: FUNCTIONAL CLASSIFICATION OF EXPENSES

Any costs related to program administration are functionally classified as supporting services expenses. Any costs related to activities that constitute direct conduct or direct supervision of program activities are program expenses. The Board did not have any program or fundraising expenses for 2020 or 2019.

The table below presents support expenses by nature and function for the year ended December 31, 2020:

| | |
|---------------|-----------------|
| Audit expense | \$ 4,000 |
| Bank charges | 140 |
| Total | \$ 4,140 |

The table below presents support expenses by nature and function for the year ended December 31, 2019:

| | |
|---------------|-----------------|
| Audit expense | \$ 3,500 |
| Bank charges | 97 |
| Total | \$ 3,597 |

Note 7: CONCENTRATIONS OF CREDIT RISK

The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage under defined dollar limits. The FDIC insures the accounts up to \$250,000 per institution and is not obligated to pay uninsured deposits. At December 31, 2020 and 2019, the Board had cash (book balances) totaling \$526 and \$666, respectively, in an interest bearing demand deposit account. There were no uninsured deposits at December 31, 2020 and 2019.

Note 8: ECONOMIC ENVIRONMENT

Income is dependent primarily upon the Board receiving a sufficient number of applications wherein the applicant/developer is seeking bond financing through the Board and, additionally in some instances, a PILOT. In the long-term, these applications and the subsequent successful bond issuance, generate closing costs income and potentially annual administrative fees if a PILOT is involved. All such projects occur in St. Charles Parish. A decline in local and general economic conditions could affect the generation of revenue.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Notes to Financial Statements**

Note 9: RELATED PARTIES

Through the year ended December 31, 2020, St. Charles Parish paid the annual audit expense on behalf of the Board, of which \$7,500 and \$3,500 was outstanding as of December 31, 2020 and 2019, respectively. This is included in the statements of financial position in due to other governments.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Schedule of Compensation, Benefits,
And Other Payments to Agency Head**

Mr. Timothy J. Vial, Board President, or any of the board members did not receive any compensation, benefits, or other payments for the year ended December 31, 2020.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
The Industrial Development Board of the
Parish of St. Charles, Louisiana, Inc.
Hahnville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Industrial Development Board of the Parish of St. Charles, Louisiana, Inc., (a non-profit organization) (the Board), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana

June 28, 2021

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Schedule of Findings and Responses**

A. SUMMARY OF AUDITORS' RESULTS

| | |
|---|------------|
| 1. Type of independent auditors' report | Unmodified |
| 2. Internal control over financial reporting | |
| a. Material weakness identified | No |
| b. Significant deficiencies not considered to be material weaknesses | None noted |
| c. Noncompliance material to the financial statements noted | No |
| 3. Management letter | No |

B. FINDINGS RELATED TO FINANCIAL STATEMENTS

None noted.

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

None noted.

D. FINDINGS RELATED TO MANAGEMENT LETTER

None issued.

**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Summary Schedule of Prior Audit Findings**

A. FINDINGS RELATED TO FINANCIAL STATEMENTS

None noted.

B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

None noted.

C. MANAGEMENT LETTER

None issued.