
IBERIA ECONOMIC DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS

JUNE 30, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

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IBERIA ECONOMIC DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS

JUNE 30, 2017

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Accountants' Compilation Report</u>	1
<u>Management's Discussion and Analysis</u>	2 - 5
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements	
Statement of Net Position	6
Statement of Activities	7
Fund Financial Statements	
Governmental Fund:	
Balance Sheet	8
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balance	10
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in the Fund Balance to the Statement of Activities	11
Notes to Basic Financial Statements	12 - 18
<u>Required Supplementary Information:</u>	
Budgetary Comparison Schedule – General Fund	19
<u>Supplementary Information:</u>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	20

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Commissioners
Iberia Economic Development Authority
New Iberia, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities and each major fund of the Iberia Economic Development Authority (the Authority), as of and for the year ended June 30, 2017, and related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 2 through page 5 and 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head (the Schedule) on page 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule is the responsibility of management. The Schedule was subject to our compilation engagement. We have not audited or reviewed the Schedule and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.



Lafayette, Louisiana
December 27, 2017

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

This section of the Iberia Economic Development Authority's (the Authority) annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Authority's total net position decreased by \$12,481 over the course of this year's operations.
- The governmental funds reported a \$353,784 fund balance at year end.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and supplementary information. The basic financial statements include two kinds of statements that present different views of the Authority:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Authority's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Authority government, reporting the Authority's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like economic development were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The figure below shows how the required parts of this annual report are arranged and relate to one another.

The figure below summarizes the major features of the Authority's financial statements, including the portion of the Authority's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

	Government-wide Statements	Governmental Funds
Scope	Entire Authority government	The activities of the Authority that are not proprietary or fiduciary
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter
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Government-wide Statement

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Authority's net position and how they have changed. Net position—the difference between the Authority's assets and liabilities—is one way to measure the Authority's financial health or position. Over time, increases or decreases in the Authority's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the Authority are considered to be governmental activities—the Authority's basic services and programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the Authority's current year activities. Funds are accounting devices that the Authority uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law, while others may be required by bond covenants, special taxes, etc. The Authority has two funds:

- Governmental fund —The Authority's basic services are included in governmental fund, which focuses on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statement provides a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. Because this information does not encompass the additional long-term focus of the government-wide statement, we provide additional information the subsequent page that explains the relationship (or differences) between them.
- Debt Service fund —The Authority reports an other governmental fund, the debt service fund. This fund is used to account for the accumulation of resources for, and the payment of debt principal, interest, and related costs.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

Table A-1
Authority's Net Position
 Governmental
 Activities

	June 30, 2017	June 30, 2016
Cash	\$ 353,784	\$ 425,245
Capital assets, net	1,989,780	1,930,800
Total assets	2,343,564	2,356,045
Current liabilities	-	-
Total liabilities	-	-
Net position		
Net investment in capital assets	1,989,780	1,930,800
Unrestricted	353,784	425,245
Total net position	\$ 2,343,564	\$ 2,356,045

Change in net position. The Authority's total revenues decreased \$210,605 (See Table A-2). In the year ended June 30, 2017 approximately 98 percent of the Authority's revenue came from capital and operating grants and contributions from the State of Louisiana and 2 percent came from other income. The total cost of all programs and services increased by \$3,009.

Table A-2
Changes in Authority's Net Position
 Governmental Activities
 For the Year Ended June 30,

	2017	2016
Revenues		
Program revenues		
Operating grants and contributions	\$ 55,379	\$ 70,724
Capital grants and contributions	14,660	207,780
General revenues		
Interest income	605	1,253
Other	758	2,250
Total revenues	71,402	282,007
Expenses		
Economic development	83,883	80,874
Total expenses	83,883	80,874
Change in net position	\$ (12,481)	\$ 201,133

Governmental Activities

Revenues for the Authority's governmental activities decreased \$210,605 from 2016 primarily due to a decrease in state capital outlay funding during fiscal year 2017. Total expenses increased \$3,009 over fiscal year 2016.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

General Fund Budgetary Highlights

The main item in the Authority's budget was anticipation of the receipt of state appropriated funds, used toward land improvements. Over the course of the year, the Authority revised the Authority's General Fund budget to adjust various revenues and expenses, including a reduction in expected state capital outlay funding and related expenditures. With these adjustments, actual revenues were approximately \$56 more than final budgeted revenues. Also, actual expenditures were approximately \$1,859 less than final budgeted expenditures.

CAPITAL ASSETS

At June 30, 2017, the Authority has invested approximately \$2.0 million in land and equipment. (See Table A-3). This amount represents a net increase (including additions and accumulated depreciation) of \$58,980 over last year.

Table A-3
Authority's Capital Assets

Governmental Activities		
	2017	2016
Land	\$ 1,822,367	\$ 1,822,367
Land improvements	167,413	106,631
Equipment	9,995	9,995
Accumulated depreciation	(9,995)	(8,193)
Total	\$ 1,989,780	\$ 1,930,800

DEBT ADMINISTRATION

In July 2016, the Authority signed a revenue anticipation note with a local financial institution, in anticipation of future revenues. The note is paid to the Authority on a revolving line of credit basis up to the principal amount of \$50,000. During fiscal year 2017, the Authority received \$35,000 in proceeds from the issuance of this debt, and that debt was repaid during the year. The note has a 4.50% rate of interest and matures on July 23, 2017. As of June 30, 2017, the balance of the note was zero. In July 2017, the Authority renewed this note with an interest rate of 4.95% and a new expiration of July 23, 2018.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority's major sources of revenue for the general fund are comprised from State of Louisiana visitor enterprise funds. The Authority expects the visitor enterprise revenues for fiscal year 2018 to be consistent with the amount received by the Authority in fiscal year 2017.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Michael Tarantino, 101 Burke Street, New Iberia, Louisiana 70560.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION

JUNE 30, 2017

ASSETS

ASSETS

Cash	\$ 353,784
Capital assets - net	<u>1,989,780</u>
TOTAL ASSETS	<u><u>\$ 2,343,564</u></u>

LIABILITIES AND NET POSITION

LIABILITIES

Accounts payable	<u>\$ -</u>
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NET POSITION

Net investment in capital assets	1,989,780
Unrestricted	<u>353,784</u>
Total net position	<u>2,343,564</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 2,343,564</u></u>

See accompanying notes and independent accountants' compilation report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Functions</u>				
Economic development	\$ 83,883	\$ 55,379	\$ 14,660	\$ (13,844)
<u>General Revenues</u>				
Rent income				758
Interest income				605
Total general revenues				<u>1,363</u>
Change in net position				(12,481)
Net position - June 30, 2016				<u>2,356,045</u>
Net position - June 30, 2017				<u>\$ 2,343,564</u>

See accompanying notes and independent accountants' compilation report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

GOVERNMENTAL FUND

BALANCE SHEET

JUNE 30, 2017

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 353,784	\$ -	\$ 353,784
TOTAL ASSETS	<u>\$ 353,784</u>	<u>\$ -</u>	<u>\$ 353,784</u>
<u>LIABILITIES</u>			
Accounts payable	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>			
Unassigned	353,784	-	353,784
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 353,784</u>	<u>\$ -</u>	<u>\$ 353,784</u>

See accompanying notes and independent accountants' compilation report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total Fund Balance at June 30, 2017 - Governmental Funds		\$ 353,784
Cost of capital assets at June 30, 2017	\$ 1,999,775	
Less: Accumulated Depreciation as of June 30, 2017	<u>(9,995)</u>	<u>1,989,780</u>
Total net position at June 30, 2017 - Governmental Activities		<u>\$ 2,343,564</u>

See accompanying notes and independent accountants' compilation report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
State sources:			
State appropriation	\$ 55,379	\$ -	\$ 55,379
State capital outlay	14,660	-	14,660
Rent income	758	-	758
Interest income	605	-	605
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	71,402	-	71,402
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>			
Economic development	82,081	-	82,081
Debt service	-	35,000	35,000
Capital outlay	60,782	-	60,782
TOTAL EXPENDITURES	142,863	35,000	177,863
	<hr/>	<hr/>	<hr/>
<u>EXCESS OF EXPENDITURES OVER REVENUES</u>	(71,461)	(35,000)	(106,461)
	<hr/>	<hr/>	<hr/>
<u>OTHER FINANCING SOURCES</u>			
Proceeds from issuance of debt	-	35,000	35,000
	<hr/>	<hr/>	<hr/>
<u>NET CHANGE IN FUND BALANCE</u>	(71,461)	-	(71,461)
	<hr/>	<hr/>	<hr/>
Fund balance, June 30, 2016	425,245	-	425,245
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCE, JUNE 30, 2017</u>	<u>\$ 353,784</u>	<u>\$ -</u>	<u>\$ 353,784</u>

See accompanying notes and independent accountants' compilation report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND

CHANGES IN THE FUND BALANCE TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

Excess of Expenditures over Revenues - Governmental Funds		\$ (71,461)
Capital Assets:		
Land improvements during the year ended June 30, 2017	60,782	
Depreciation expense for the year ended June 30, 2017	<u>(1,802)</u>	58,980
Debt:		
Proceeds from issuance of debt	35,000	
Debt service expense	<u>(35,000)</u>	<u>-</u>
Change in Net Position - Governmental Activities		<u>\$ (12,481)</u>

See accompanying notes and independent accountants' compilation report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Iberia Economic Development Authority (the "Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Authority are described below.

Financial reporting entity:

A financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary Government-

The Authority was created in 2008 as a result of the passage of Act No. 918 of the State Legislature, and is a political subdivision of the State of Louisiana. The Authority was created for the purpose of promoting, encouraging, and participating in industrial development to stimulate the economy through commerce, industry, and research and for the utilization and development of human resources of the Iberia Parish area by providing job opportunities. The Authority does not have any component units.

Basis of Presentation:

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The minimum number of funds maintained by the Authority is consistent with legal and managerial requirements.

A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities.

The basic financial statements includes both government-wide (reporting on the government of the Authority as a whole) and fund financial statements (reporting the Authority's major funds). The Authority's activities include governmental activities only.

Government-wide financial statements-

The government-wide financial statements include a statement of net position and statement of activities. These statements report financial information about the Authority as a whole.

In the statement of net position, the governmental activities column is reported on the full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as any applicable long-term debt and obligations. The Authority's net position is reported in three parts: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The Authority first utilizes restricted resources to finance qualifying activities.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A “function” is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses associated with a distinct functional activity. Program revenues includes: (1) charges for services which report fees, fines, and forfeits, and other charges to users of the Authority’s services, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues. The Authority currently has no charges for services.

The Authority reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included as a direct expense of each function.

This government-wide focus is more on the sustainability of the Authority as an entity and the change in the Authority’s net assets resulting from the current year’s activities.

Fund Financial Statements-

The fund financial statements provide information about the Authority’s funds, which are governmental funds. The emphasis of fund financial statements is on the major individual governmental funds. The Authority reports the following major governmental funds:

General Fund - used to account for all financial resources traditionally associated with governments that are not required to be accounted for in another fund.

Debt Service Fund - used to account for the accumulation of resources for, and the payment of, general debt principal, interest, and related costs.

GASB statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis- for State and Local Governments,” sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary funds combined) for the determination of major funds.

Basis of accounting – measurement focus:

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements; measurement focus refers to what is being measured. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-wide financial statements-

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements-

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The reported fund balance (net current assets) is considered a measure of “available spending resources.” Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spending resources” during a period. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collection within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditure driven grant revenues are recorded when the qualifying expenditures have been incurred and all other grant requirements have been met. All other receivables collected within 60 days after year end are considered available and recognized as revenue of the current year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. General capital asset acquisitions are reported as expenditures in governmental funds.

Cash and cash equivalents:

Cash includes amounts in demand deposits and on hand. For purposes of reporting cash flows, the Authority considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Authority has no cash equivalents at June 30, 2017.

Custodial Credit Risk:

The Authority is exposed to custodial credit risk as it relates to their deposits with financial institutions. The Authority’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Authority’s name. Accordingly, the Authority had no custodial credit risk related to its deposits at June 30, 2017.

Capital Assets:

Capital assets, which include land and land improvements and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are valued at historical cost. Those with a cost of \$1,000 or more and a useful life of more than one year are capitalized. Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The estimated useful life of the Authority’s equipment is five years.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In the fund financial statements, acquisition of capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources:

The Authority has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow of resources represents the acquisition of net position that is applicable to a future reporting period. The Authority has no deferred outflows of resources or deferred inflows of resources at June 30, 2017 and 2016.

Equity classifications:

Government-wide statements-

Net Position

The Authority has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. Inflows are, by definition, neither assets nor liabilities, the statement of net assets title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows of resources equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position reflects net position when there are limitations imposed on a net position's use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows of resources related to restricted assets. Liabilities and deferred inflows of resources related to restricted assets include liabilities and deferred inflows of resources to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements-

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below in accordance with Governmental Accounting Standards Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Authority establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Authority through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, or for other purposes).

Impairments:

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Authority is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. The Authority recorded no impairment losses during the year ended June 30, 2017.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reporting period. Accordingly, actual results could differ from those estimates.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

2. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2017 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land improvements	\$ 106,631	\$ 60,782	\$ -	\$ 167,413
Land	<u>1,822,367</u>	<u>-</u>	<u>-</u>	<u>1,822,367</u>
Total capital assets not being depreciated, net	<u>1,928,998</u>	<u>60,782</u>	<u>-</u>	<u>1,989,780</u>
Capital assets being depreciated:				
Equipment	9,995	-	-	9,995
Less: accumulated depreciation	<u>(8,193)</u>	<u>(1,802)</u>	<u>-</u>	<u>(9,995)</u>
Total capital assets being depreciated, net	<u>1,802</u>	<u>(1,802)</u>	<u>-</u>	<u>-</u>
Total governmental activities capital assets, net	<u>\$ 1,930,800</u>	<u>\$ 58,980</u>	<u>\$ -</u>	<u>\$ 1,989,780</u>

Depreciation Expense for the year ended June 30, 2017 was \$1,802 and is reported as economic development expense in the statement of activities.

3. REVENUE ANTICIPATION NOTE

In July 2016, the Authority signed a revenue anticipation note with a local financial institution, in anticipation of future revenues. The note is paid to the Authority on a revolving line of credit basis up to the principal amount of \$50,000. The note has a 4.50% rate of interest and matures on July 23, 2017. As of June 30, 2017, the balance of the note was zero. During fiscal year 2017, the Authority received \$35,000 in proceeds from the issuance of this debt, and that debt was repaid during the year. Interest expense related to this debt totaled \$772 during 2017 and is included in economic development expenditures. In July 2017, the Authority renewed this note with an interest rate of 4.95% and a new expiration of July 23, 2018.

4. COOPERATIVE ENDEAVOR AGREEMENT

Effective October 2013, the Authority has a standing cooperative endeavor agreement with the Iberia Industrial Development Foundation (IDF) whereby IDF furnishes office and meeting space, supplies and equipment for the Authority. The Authority pays IDF \$3,500 per month for these services. During the fiscal year ended June 30, 2017, payments to IDF related to this agreement totaled \$42,000.

Additional payments of \$21 related to office supplies were made to IDF during the year ended June 30, 2017.

5. CONCENTRATION

The Authority receives a majority of its revenue from the State of Louisiana visitor enterprise funds and capital outlay funds. The amounts are appropriated each year by state government. If significant budget cuts are made at the state level, the amount of funds received could be reduced significantly and have an adverse impact on the Authority's operations. Management is not aware of any actions that will significantly affect the amount of funds the Authority will receive in fiscal year 2018 relating to funding from the State of Louisiana.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

6. RELATED PARTY TRANSACTION

The Authority has a cash account and a revenue anticipation note with a local financial institution (see Note 3). One of the Commissioners of the Authority is President and CEO of that financial institution. However, the Commissioner recuses himself on voting matters related to the financial institution.

7. SUBSEQUENT EVENTS

As described in Note 3, the Authority renewed its revenue anticipation note subsequent to year end. Management has evaluated subsequent events through the date that the basic financial statements were available to be issued, December 27, 2017, and determined that no additional events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
State sources:				
State appropriation	\$ 73,600	\$ 55,379	\$ 55,379	\$ -
State capital outlay	354,000	14,659	14,660	1
Rent income	800	758	758	-
Interest income	1,000	550	605	55
Other income	-	-	-	-
	<u>429,400</u>	<u>71,346</u>	<u>71,402</u>	<u>56</u>
<u>Expenditures:</u>				
Current -				
Economic development	75,400	72,372	82,081	(9,709)
Capital outlay	454,000	72,350	60,782	11,568
	<u>529,400</u>	<u>144,722</u>	<u>142,863</u>	<u>1,859</u>
Net change in fund balance	(100,000)	(73,376)	(71,461)	1,915
Fund balance, beginning	425,245	425,245	425,245	-
Fund balance, ending	<u>\$ 325,245</u>	<u>\$ 351,869</u>	<u>\$ 353,784</u>	<u>\$ 1,915</u>

See accompanying notes and independent accountants' compilation report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2017

Chairman - John Bellefontaine

No payments made to agency head during the fiscal year ended June 30, 2017.

See accompanying notes and independent accountants' compilation report.