

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

FINANCIAL STATEMENTS

For the Years Ended December 31, 2017 and 2016



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**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
Table of Contents
December 31, 2017**

REPORT

Independent Auditors' Report	1
------------------------------	---

FINANCIAL STATEMENTS

Statements of Financial Position	3
----------------------------------	---

Statements of Activities	4
--------------------------	---

Statements of Cash Flows	5
--------------------------	---

Notes to Financial Statements	6
-------------------------------	---

SUPPLEMENTARY INFORMATION

Schedule of Compensation, Benefits, and Other Payments to Agency Head	12
-----------------------------------------------------------------------	----

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 <i>Government Auditing Standards</i>	13
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----

Schedule of Findings and Responses	15
------------------------------------	----

Summary Schedule of Prior Year Audit Findings	16
-----------------------------------------------	----



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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, 2017 and 2016, 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, 2017 and 2016, 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 29, 2018, 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 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.

Carly Riggs & Ingram, L.L.C.

June 29, 2018

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

<i>At December 31,</i>	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 859	\$ 959
Investments	53,264	23,922
Accounts receivable	-	17,000
TOTAL ASSETS	\$ 54,123	\$ 41,881
LIABILITIES AND NET ASSETS		
LIABILITIES		
Due to other governments	\$ 2,000	\$ 6,000
TOTAL LIABILITIES	2,000	6,000
NET ASSETS		
Unrestricted	52,123	35,881
Total net assets	52,123	35,881
TOTAL LIABILITIES AND NET ASSETS	\$ 54,123	\$ 41,881

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

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

<i>For the years ended December 31,</i>	2017	2016
REVENUES		
Interest income	\$ 344	\$ 78
Administrative rental fee	17,000	18,000
TOTAL REVENUES	17,344	18,078
EXPENSES		
General and administrative		
Bank charges	102	68
Audit expense	1,000	1,000
TOTAL EXPENSES	1,102	1,068
CHANGE IN NET ASSETS	16,242	17,010
NET ASSETS, beginning of year	35,881	18,871
NET ASSETS, end of year	\$ 52,123	\$ 35,881

The accompanying footnotes 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>	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 16,242	\$ 17,010
Change in operating assets and liabilities:		
Due to other governments	(4,000)	1,000
Due to other governments - rental collection	-	(4,604)
Accounts receivable	17,000	(17,000)
Cash provided by (used in) operating activities	29,242	(3,594)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(29,342)	(12,454)
Cash used in investing activities	(29,342)	(12,454)
NET CHANGE IN CASH	(100)	(16,048)
CASH, beginning of year	959	17,007
CASH, end of year	\$ 859	\$ 959

The accompanying footnotes 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 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The financial statements are reported on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Basis of Presentation

Under accounting principles generally accepted in the United States, the Board reports 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. All of the Board's assets are classified as unrestricted; there were no temporarily or permanently restricted net assets at December 31, 2017 and 2016.



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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

The Board has defined cash and cash equivalents as those amounts included in the statements of financial position caption "Cash." The Board considers all highly liquid debt instruments with original maturities at purchase of three months or less to be cash equivalents.

Investments

Under Louisiana State law, the Board may invest in United States bonds, treasury notes, certificates, or LAMP, a local government investment pool. The Board's investments as of December 31, 2017 and 2016 are in LAMP.

Fixed Assets and Long-Term Liabilities

Currently, the Board owns no fixed assets, and has no long-term liabilities, as reflected in the accompanying statements of financial position.

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.

Use of Estimates

The presentation 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.

Subsequent events

In preparing these financial statements, the Board's management has evaluated events and transactions for potential recognition or disclosure through June 29, 2018, the date the financial statements were available to be issued and noted no items for disclosure.



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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

In May 2014, FASB issued new Topic 606, Revenue from Contracts with Customers. The new guidance is intended to clarify the principles for recognizing revenue and to develop a common revenue standard for GAAP applicable to revenue transactions. This guidance provides that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflect the consideration to which the entity expects to be entitled to in exchange for those goods or services. Existing industry-specific guidance will be eliminated. Additionally, interim and annual disclosures will be substantially revised. This guidance is effective for annual reporting periods beginning after December 15, 2018 (as amended in ASU 2015-14). Early adoption is permitted for annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. (Note: Additional requirements related to Topic 606 were issued in 2016, as part of ASU 2016-12.) The Board has elected not to early adopt ASU 2014-09 and are assessing the effect the standard will have on our financial statements.

In February 2016, FASB issued ASU 2016-02, with new guidance intended to increase transparency and comparability among organizations related to leases. Lessees will be required to recognize a liability to make lease payments and a right-of-use asset representing the right to use the underlying asset for the lease term. FASB retained the dual model for lease classification, requiring leases to be classified as finance or operating leases for the purposes of determining recognition in the statements of operations and cash flows. However, substantially all leases will be required to be recognized on the balance sheet. Lessor accounting is largely unchanged from the current model. This update will also require quantitative and qualitative disclosures regarding key information and leasing arrangements. The standards update is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The transition will require application at the beginning of the earliest comparative period at the time of adoption. The Board has elected not to early adopt ASU 2016-02 and are assessing the effect the standard will have on our financial statements.

In August 2016, the FASB issued ASU 2016-15, with new guidance on how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments in the standards update provide guidance on eight specific cash flow issues. The standards update is effective retrospectively for fiscal years and interim periods beginning after December 15, 2018 for non-public business entities, with early adoption permitted. The Board has elected not to early adopt ASU 2016-15 and will assess whether it is applicable depending on the specific transactions occurring in the year of implementation.



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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In August 2016, the FASB issued ASU 2016-14, with new guidance intended to improve the current net asset classification requirements and information presented in the financial statements and notes about an NFP's liquidity, financial performance, and cash flows. The improvements will simplify the classification of net assets, reducing complexities and costs for preparers and users of the financial statements. They will also enhance disclosures on the general management and allocation of an NFP's resources, improving the usefulness of information provided to users of an NFP's financial statements. The standards update is effective retrospectively for annual financial statements issued for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2018. The Board has elected not to early adopt ASU 2016-14, but expect that it will not have a material effect our financial statements.

NOTE 2 – 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 and is not obligated to pay uninsured deposits. At December 31, 2017 and 2016, the Board had cash (book balances) totaling \$859 and \$959, respectively, in an interest bearing demand deposit account. There were no uninsured deposits at December 31, 2017 and 2016.

NOTE 3 – INVESTMENT SECURITIES

The Board has investments 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 investment 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 investment 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. 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 AAAM 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. The investments in LAMP are stated at amortized cost. The value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share. 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. If you have any questions, please feel free to contact the LAMP administrative office at 504-525-5267



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

NOTE 3 – INVESTMENT SECURITIES (CONTINUED)

At December 31, 2017 and 2016, the Board has investments in LAMP totaling \$53,264 and \$23,922, respectively.

NOTE 4 – 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.

NOTE 5 – RESTRICTED ASSETS - DIRECT FINANCING LEASES RECEIVABLE

The Board entered into direct financing lease agreements with various private corporations and issued industrial revenue bonds for the acquisition of various facilities. The various corporations lease these facilities from the Board for an amount necessary to pay principal, interest, and premiums, if any, on the industrial revenue bonds.

During the year ended December 31, 2015, the Board entered into a 22 year lease with a private company. 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, 2017 and 2016, no bonds have been issued related to this lease. The Board collects rental payments on behalf of other government agencies throughout the year and remits to the respective agency dependent on the lease agreement. For its service, related to this lease, the Board annually collects \$17,000 of administrative rental fees recognized as revenue of the Board in the statements of activities.

For the years ended December 31, 2017 and 2016, the Board recognized \$17,000 and \$18,000 of administrative rental fee revenue, respectively.

NOTE 6 – TRANSACTIONS WITH RELATED PARTIES

Through the year ended December 31, 2017, St. Charles Parish paid the annual audit expense on behalf of the Board, of which \$2,000 and \$6,000 is outstanding as of December 31, 2017 and 2016, respectively. This is included in the statements of financial position in due to other governments.

NOTE 7 – CHANGES IN LONG-TERM DEBT

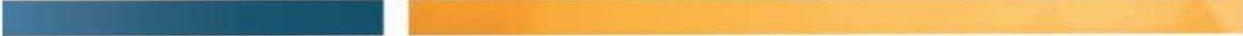
There are no bonds at December 31, 2017 and 2016.



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

NOTE 8 – LITIGATION

There is no litigation pending against the Board at December 31, 2017 and 2016.



**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, did not receive any compensation, benefits, or other payments for the year ended December 31, 2017.

See independent auditors' report.



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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, 2017, 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 29, 2018.

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.

Carri Riggs & Ingram, L.L.C.

June 29, 2018



**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	No
c. Noncompliance material to the financial statements noted	No
3. Management letter	No

B. FINDINGS RELATED TO FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended December 31, 2017.

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS.

There were no findings related to compliance and other matters for the year ended December 31, 2017.



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