

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

FINANCIAL STATEMENTS

For the Years Ended December 31, 2018 and 2017



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**The Industrial Development Board
of the Parish of St. Charles, Louisiana, Inc.
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December 31, 2018**

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Report



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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, 2018 and 2017, 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, 2018 and 2017, 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.

Emphasis of a Matter

As discussed in Note 1, effective January 1, 2018, the Board adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The Board has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. Our opinion is not modified with respect to this matter.

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, 2019, 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.

Cam, Riggs & Ingram, L.L.C.

June 28, 2019



Financial Statements

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

<i>At December 31,</i>	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 760	\$ 859
Cash equivalent - lamp	54,292	53,264
Accounts receivable	17,000	-
TOTAL ASSETS	\$ 72,052	\$ 54,123
LIABILITIES AND NET ASSETS		
LIABILITIES		
Due to other governments	\$ 3,000	\$ 2,000
TOTAL LIABILITIES	3,000	2,000
NET ASSETS		
Without donor restrictions	69,052	52,123
Total net assets	69,052	52,123
TOTAL LIABILITIES AND NET ASSETS	\$ 72,052	\$ 54,123

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>	2018	2017
	Without Donor Restriction	Without Donor Restriction
REVENUES		
Interest income	\$ 1,031	\$ 344
Administrative rental fee	17,000	17,000
TOTAL REVENUES	18,031	17,344
EXPENSES		
Support	1,102	1,102
TOTAL EXPENSES	1,102	1,102
CHANGE IN NET ASSETS	16,929	16,242
NET ASSETS, beginning of year	52,123	35,881
NET ASSETS, end of year	\$ 69,052	\$ 52,123

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>	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 16,929	\$ 16,242
Change in operating assets and liabilities:		
Due to other governments	1,000	(4,000)
Accounts receivable	(17,000)	17,000
Cash provided by operating activities	929	29,242
NET CHANGE IN CASH	929	29,242
CASH AND CASH EQUIVALENTS, beginning of year	54,123	24,881
CASH AND CASH EQUIVALENTS, end of year	\$ 55,052	\$ 54,123

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 Reporting – The financial statements are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America; revenue is recognized when earned and expenses are recognized when liabilities are incurred. The board classifies resources for accounting and reporting purposes into two net asset categories as follows:

- Net Assets Without Donor Restriction – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
- Net Assets With Donor Restriction – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.



**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 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, 2018 and 2017 that are held in LAMP.

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.

Income Taxes

The Board has been recognized 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.

Functional allocations of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the management and general expenses.

Subsequent events

In preparing these financial statements, the Board's management has evaluated events and transactions for potential recognition or disclosure through June 28, 2019, 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)

Recently Adopted Accounting Standards

Effective January 1, 2018, the Board adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Board has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented.

The new standard changes the following aspects of The Board's financial statements:

- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The presentation of functional classification of expenses in Note 8, is supplemented with enhanced disclosures about the methods used to allocate cost among functions and the basis for which to allocate cost between program and supporting expenses.
- The financial statements include a new footnote disclosure about liquidity and availability of resources (See Note 9).

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.



**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 (continued)

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.

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, 2018 and 2017, the Board had cash (book balances) totaling \$760 and \$859, respectively, in an interest bearing demand deposit account. There were no uninsured deposits at December 31, 2018 and 2017.

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.



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

NOTE 3 – CASH EQUIVALENTS – LAMP (CONTINUED)

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. 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, 2018 and 2017, the Board has cash equivalents in LAMP totaling \$54,292 and \$53,264, 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 – DIRECT FINANCING LEASES

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, 2018 and 2017, 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 without restriction of the Board in the statements of activities.

For the years ended December 31, 2018 and 2017, 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 – TRANSACTIONS WITH RELATED PARTIES

Through the year ended December 31, 2018, St. Charles Parish paid the annual audit expense on behalf of the Board, of which \$3,000 and \$2,000 is outstanding as of December 31, 2018 and 2017, respectively. This is included in the statements of financial position in due to other governments.

NOTE 7 – LITIGATION

There is no litigation pending against the Board at December 31, 2018 and 2017.

NOTE 8 – 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 2018 or 2017.

The table below presents expenses by both their nature and function for the year ended December 31, 2018:

<i>For the year ended December 31, 2018</i>	Management and General
Audit expense	\$ 1,000
Bank charges	102
Total	\$ 1,102

The table below presents expenses by both their nature and function for the year ended December 31, 2017:

<i>For the year ended December 31, 2017</i>	Management and General
Audit expense	\$ 1,000
Bank charges	102
Total	\$ 1,102

NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Board has \$72,052 of financial assets available within one year of the balance sheet date consisting of cash of \$760, cash equivalents in LAMP of \$54,292, 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 balance sheet date are sufficient to meet general expenditures over the year.



Supplementary Information



**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, 2018.

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, 2018, 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, 2019.

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.

Carly Riggs & Ingram, L.L.C.

June 28, 2019

**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, 2018.

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings related to compliance and other matters for the year ended December 31, 2018.

D. FINDINGS RELATED TO MANAGEMENT LETTER

No management letter was issued for the year ended December 31, 2018.



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

A. FINDINGS RELATED TO FINANCIAL STATEMENTS

None noted.

B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

None noted.

C. MANAGEMENT LETTER

None issued.