

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**

**FINANCIAL AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.**
New Orleans, Louisiana

We have audited the accompanying statement of financial position of the **Industrial Development Board of the City of New Orleans, Louisiana, Inc. (IDB)** (a non-profit corporation) as of December 31, 2007 and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of **IDB's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
New Orleans, Louisiana
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In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **IDB** as of December 31, 2007, and the changes in its net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

August 7, 2008

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007**

ASSETS

Cash and cash equivalents (NOTE 2)	\$ 292,947
Amounts receivable (NOTE 3)	<u>36,500</u>
Total assets	\$ <u>329,447</u>

NET ASSETS

<u>Net Assets</u>	
Unrestricted	\$ <u>329,447</u>
Total net assets	\$ <u>329,447</u>

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

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Revenues:	
Administrative fees	\$ 44,000
Application fees	60,100
Interest income	5,932
Other income	<u>1,249</u>
Total revenues	<u>111,281</u>
Expenses:	
Program services	97,346
Support services	<u>39,327</u>
Total expenses	<u>136,673</u>
Change in net assets	(25,392)
Net assets, beginning of year	<u>354,839</u>
Net assets, end of year	\$ <u>329,447</u>

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

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Parking	\$ -0-	\$ 1,198	\$ 1,198
Office expense and supplies	19,460	-0-	19,460
Professional fees - audit and accounting	2,286	11,254	13,540
Professional fees - other	62,003	19,449	81,452
Telephone	1,523	1,523	3,046
Postage and printing	3,203	-0-	3,203
Miscellaneous	-0-	282	282
Travel	-0-	597	597
Other expenses	-0-	508	508
Equipment	8,871	-0-	8,871
Catering	<u>-0-</u>	<u>4,516</u>	<u>4,516</u>
Total expenses	<u>\$ 97,346</u>	<u>\$ 39,327</u>	<u>\$ 136,673</u>

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

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Cash Flows from Operating Activities	
Change in net assets	\$ (25,392)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Increase in amounts receivable	<u>(16,500)</u>
Net cash used by operating activities	<u>(41,892)</u>
Net decrease in cash	(41,892)
Cash, and cash equivalent beginning of year	<u>334,839</u>
Cash, and cash equivalent end of year	\$ <u><u>292,947</u></u>
Interest paid in cash	\$ <u><u>-0-</u></u>

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

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The **Industrial Development Board of the City of New Orleans, Louisiana, Inc. (IDB)** is a non-profit corporation organized pursuant to Chapter 7, Title 51 of the Louisiana Revised Statutes and has the following corporate powers:

1. To acquire, whether by purchase, exchange, gift, lease or otherwise, and to construct, improve, maintain, equip and furnish one or more projects, including all real and personal properties which the board of directors of the corporation may deem necessary in connection therewith and whether or not any such project shall then be in existence;
2. To lease or to contract for the use to or by others any or all of its projects and to charge and collect rent, fees or charges therefor; and to terminate any such lease or contractual arrangement upon the failure of the leasee to comply with any of the obligations thereof;
3. To sell, exchange, donate and convey any or all of its properties upon such terms and conditions as its board of directors may deem advisable, including the power to receive for any such sale the note or notes of the purchaser of a project whenever its board of directors funds may such action to be in furtherance of the purposes for which the corporation was organized;
4. To issue its bonds for the purpose of carrying out any of its powers;

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Organization and Purpose, Continued

5. As security for the payment of the principal of and interest on any bonds so issued and any agreements made in connection therewith, to mortgage and pledge any or all of its projects or any part or parts thereof, whether then owned or thereafter acquired, and to pledge the revenues and receipts therefrom or from any source thereof; and
6. To employ and pay compensation to such employees and agents, including attorneys, as the board of directors shall deem necessary for the business of the corporation.

The **IDB** is authorized to issue revenue bonds to finance the acquisition and construction of “anti-pollution projects” and “development projects”.

Anti-Pollution Projects

An anti-pollution project is defined as any property which abates, eliminates, controls or prevents air water or noise or other pollution, or controls or eliminates, disposes of liquid and solid wastes, or removes or treats any substance or materials which otherwise would cause pollution or contamination of any kind. An anti-pollution project must be suitable for use by industrial enterprises; agricultural enterprises; commercial enterprises in storing, warehousing, or distributing products of agricultural, fishing, forestry, mining or industry, exclusive of retail or wholesale enterprise; research and development enterprises; or public utilities.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Organization and Purpose, Continued

Development Projects

“Development project” means any land, easement, servitude, leasehold interest, or other interest or right in land, and any building or other facility of improvement thereon, including a single or multiple occupant office building or building complex, and all movable and immovable properties deemed necessary in connection therewith, including parking garages, whether or not now in existence, which shall be suitable for use by the following or by any combination of two or more thereof: any industry for the manufacturing, processing, or assembling of any raw, agricultural, semimanufactured, or manufactured products; any commercial enterprise in storing, warehousing, distributing, or selling any products of agriculture, fishing, forestry, mining, or industry; business or professional offices; hotels; and any international, national, regional, or state offices of business or industry. “Development project” also means any other facility that is determined by an industrial development board to be instrumental to the removal of blight or the redevelopment of distressed areas, or to promote economic development through the creation of jobs, or to enhance the tax base of a community through the construction, renovation, or rehabilitation of improvements, but does not include facilities designed for the sale or distribution to the public electricity, gas, water, or telephone or other services commonly classified as public utilities.

Basis of Reporting

SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (i.e. unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) according to externally (donor) imposed restrictions.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Basis of Reporting, Continued

A description of the net asset categories is as follows:

Unrestricted Net Assets

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the missions of **IDB** are included in this category.

Temporarily Restricted Net Assets

Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor-imposed restrictions have not been met.

Permanently Restricted Net Assets

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor-imposed restrictions.

At December 31, 2007, **IDB** did not have any temporarily or permanently restricted net assets.

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, **IDB** considers all investments purchased with a maturity of three (3) months or less to be cash equivalents (see NOTE 2).

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among programs and supporting services benefitted.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS:

At December 31, 2007, cash and cash equivalents consisted of the following:

<u>Description</u>	<u>Carrying Value</u>	<u>Approximate Market Value</u>	<u>Maturity</u>
Cash in Bank	\$ 188,536	\$ 188,536	---
Certificate of Deposit	<u>104,411</u>	<u>104,411</u>	2/28/08
Total	\$ <u>292,947</u>	\$ <u>292,947</u>	

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - AMOUNTS RECEIVABLE:

At December 31, 2007, amounts receivable consisted of the following administrative fees:

Wal-Mart Real Estate Business Trust	\$ 16,500
LGD Rental Project	<u>20,000</u>
Total	\$ <u>36,500</u>

NOTE 4 - CONCENTRATION OF CREDIT RISK:

IDB maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2007, **IDB** had \$88,536 over the insured limit in its bank account.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**

EXIT CONFERENCE

An exit conference was held on August 12, 2008. The following persons were in attendance:

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**

Ms. Susan P. Good	--	Secretary/Treasurer
Ms. Sharon Martin	--	Administrative Consultant
Ms. Katherine Smith	--	Accountant

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Alcide J. Tervalon, Jr., CPA	--	Partner
Mr. Alcide J. Tervalon , III, MBA	--	Senior Accountant