

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

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009



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Independent Auditor's Report

**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 Industrial Development Board of the City of New Orleans, Louisiana, Inc. (IDB) (a Louisiana nonprofit corporation) as of December 31, 2009, and the related statements of activities and cash flows 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. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IDB as of December 31, 2009, and its changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

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

September 24, 2010

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Statement of Financial Position
December 31, 2009**

	2009
ASSETS	
Current assets:	
Cash	\$ 312,826
Certificate of deposit	100,000
Employee advance	1,000
Prepaid insurance	2,100
	415,926
Total current assets	415,926
	\$ 415,926
LIABILITIES AND NET ASSETS	
Current liability -	
Advances from developers for compliance audits	\$ 7,000
Commitments and contingencies	
	408,926
Total liabilities and net assets	\$ 415,926

See accompanying notes to the financial statements.

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Statement of Activities
Year Ended December 31, 2009**

	2009
Revenues:	
Annual administrative fees	\$ 109,191
Closing costs	35,007
Application fees	12,500
Interest income	5,497
Other income	406
Total revenues	162,601
Expenses:	
Program services	76,772
Support services	48,459
Total expenses	125,231
Increase in unrestricted net assets	37,370
Unrestricted net assets, beginning of year	371,556
Unrestricted net assets, end of year	\$ 408,926

See accompanying notes to the financial statements.

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Statement of Cash Flows
Year Ended December 31, 2009**

	2009
Cash flows from operating activities:	
Increase in unrestricted net assets	\$ 37,370
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:	
(Increase) in employee advance	(1,000)
(Increase) in prepaid insurance	(2,100)
Decrease in receivable	6,717
Increase in advances from developers for compliance audits	7,000
(Decrease) in deferred revenue	(14,500)
	33,487
Net cash provided by operating activities	33,487
Net increase in cash	33,487
Cash at beginning of year	279,339
	312,826
Cash at end of year	\$ 312,826

See accompanying notes to the financial statements.

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Notes to Financial Statements
Year Ended December 31, 2009**

A. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Industrial Development Board of the City of New Orleans, Louisiana, Inc. (IDB) is a Louisiana non-profit corporation organized pursuant to the provisions of Title 51, Chapter 7 of the Louisiana Revised Statutes. IDB was created by the New Orleans City Council in 1972 to promote the retention, expansion, and attraction of business and commercial enterprises in Orleans Parish and to expand employment opportunities. IDB has the ability to issue taxable and tax-exempt revenue bonds and other obligations to acquire land, construct, purchase, or renovate buildings to acquire and install machinery and equipment and to finance any other economic development efforts. IDB can issue bonds without the necessity of calling a public bond election or having a public sale of bonds. The bonds (either taxable or tax exempt) are financed by the developer. Tax exempt bonds provide the incentive of a below market interest rate. IDB may also offer a PILOT (payment in lieu of taxes). A PILOT, if granted, may assist the developer with their financing of the project.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents have been defined by IDB as those amounts included in the statement of financial position caption "Cash." IDB considers all highly liquid debt instruments with original maturities at purchase of three months or less to be cash equivalents.

Certificate of deposit

The certificate of deposit is stated at cost which approximates fair value. The certificate term is for six months.

Net assets

Under generally accepted accounting principles, IDB 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 IDB's assets are classified as unrestricted; there were no temporarily or permanently restricted net assets at December 31, 2009.

Advertising

Advertising costs are expensed as incurred. There was no advertising expense in 2009.

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Notes to Financial Statements
(Continued)**

A. NATURE OF ORGANIZATION AND 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. Accordingly, certain costs have been allocated among programs and supporting services benefitted.

Subsequent events

In preparing these financial statements, IDB has evaluated events and transactions for potential recognition or disclosure through September 24, 2010, the date the financial statements were available to be issued.

B. CONCENTRATION OF CREDIT RISK

The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage under defined dollar limits. The FDIC is not obligated to pay uninsured deposits. During 2009, IDB's demand and time deposit accounts were protected by FDIC's insurance coverage.

C. ECONOMIC ENVIRONMENT

Income is dependent primarily upon IDB receiving a sufficient number of applications wherein the applicant/developer is seeking bond financing through IDB and, additionally in some instances, a PILOT. 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 Orleans Parish. A decline in local and general economic conditions could affect the generation of revenue.

D. COMMITMENTS AND CONTINGENCIES

IDB leases its office space from the City of New Orleans. The lease is renewed annually and runs from March to February each year. IDB also rents outside storage space at \$120 per month under a month-to-month lease. The total rent expense in 2009 associated with these two leases was \$5,389. In March 2010, the lease with the City was renewed until February 2011 at \$3,543 for the year.

In a prior year, the Six Flags project in New Orleans East received a PILOT. As is normal with PILOT's, IDB became the property owner of record. As a result of granting a servitude on the property, IDB received a payment of \$112,584 in 2008. The Six Flags project has been defunct for several years now. IDB believes it is at least possible that the City of New Orleans could request or demand these funds at a future time. To date, the City has made no such request or demand. In 2008, IDB deposited these funds in a separate interest bearing cash account where they remain.

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Notes to Financial Statements
(Continued)**

E. FUNCTIONAL EXPENSES

Functional expenses for the year ended December 31, 2009 are summarized as follows:

	Program <u>Services</u>	Support <u>Services</u>	<u>Total</u>
Payroll and related expenses	\$ 58,453	\$ 22,236	\$ 80,689
Professional fees	12,811	12,956	25,767
Rental expense	-	5,389	5,389
Meetings and travel	1,332	2,765	4,097
Website expense	1,388	1,387	2,775
Parking	990	991	1,981
Office expense and supplies	269	1,649	1,918
Postage and delivery	1,157	165	1,322
Insurance	372	373	745
Miscellaneous	-	548	548
	<u>\$ 76,772</u>	<u>\$ 48,459</u>	<u>\$ 125,231</u>