THE INDUSTRIAL DEVELOPMENT BOARD OF THE PARISH OF ST. CHARLES, LOUISIANA, INC.
(A NON-PROFIT CORPORATION)
Hahnville, Louisiana

Financial Statements
For the Year Ended December 31, 2001

STAGNI & COMPANY, LLC

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED
Hahnville, Louisiana

Financial Statements
For the Year Ended December 31, 2001

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STAGNI & COMPANY, LLC

INDEPENDENT AUDITOR'S REPORT

To the Members of the
Industrial Development Board of the
Parish of St. Charles, Louisiana, Inc.
Hahnville, Louisiana

We have audited the accompanying statement of financial position of the Industrial Development Board of the Parish of St. Charles, Louisiana, Inc. (a non-profit corporation), as of December 31, 2001, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Industrial Development Board of the Parish of St. Charles, Louisiana, Inc.'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 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 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 general-purpose 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 the Industrial Development Board of the Parish of St. Charles, Louisiana, Inc. as of December 31, 2001, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 3, 2002 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Stagni & Company
Thibodaux, Louisiana
June 3, 2002

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STATEMENT A

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED
Hahnville, Louisiana

Statement of Financial Position
December 31, 2001

ASSETS	
Cash	$2,421
Investments	11,891
TOTAL ASSETS	$14,312
LIABILITIES AND NET ASSETS	
Liabilities:	
Payable from Unrestricted Assets:	
Due to Other Governments	$1,008
TOTAL LIABILITIES	1,008
Net Assets:	
Unrestricted	13,304
TOTAL LIABILITIES AND NET ASSETS	$14,312

The notes to the financial statements are an integral part of this statement.

STATEMENT B

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED
Hahnville, Louisiana

Statement of Activities
For the Year Ended December 31, 2001

UNRESTRICTED NET ASSETS	
Interest Revenue	$545
Act of Cash Sale - Nabisco	1,000
	1,545
Expenses:	
Bank Charges	99
Auditing Expense	1,000
Total Expenses	1,099
INCREASE IN UNRESTRICTED NET ASSETS	446
INCREASE IN NET ASSETS	446
NET ASSETS AT BEGINNING OF YEAR	12,858
NET ASSETS AT END OF YEAR	$13,304

The notes to the financial statements are an integral part of this statement.

STATEMENT C

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED
Hahnville, Louisiana

Statement of Cash Flows
For the Year Ended December 31, 2001

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in Net Assets	$446
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Changes in Operating Assets and Liabilities:	
Decrease in Direct Financing Leases Receivable	1,625,000
Decrease in Due to Other Governments	(18)
(Decrease) in Revenue Bonds Payable	(1,625,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	428
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of Investments	(23,674)
Proceeds from Maturity of Investments	23,539
NET CASH USED BY INVESTING ACTIVITIES	(135)
NET INCREASE IN CASH AND CASH EQUIVALENTS	293
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,128
CASH AND CASH EQUIVALENTS AT END OF YEAR	$2,421

The notes to the financial statements are an integral part of this statement.

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE PARISH OF ST. CHARLES,
LOUISIANA, INCORPORATED
Hahnville, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2001

INTRODUCTION

The Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated (the "Board"), is a non-profit 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. It 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 of 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 corporation 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The financial statements of the Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

For financial reporting purposes, in conformance with Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification), the Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated, includes all funds, account groups, and activities, that are controlled by the Board. Because the Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated, is a non-profit corporation as defined in Section 201 of Title 12 of the Louisiana Revised Statutes of 1950 (LSA-R.S. 12:201); because the board of directors has the power to make, alter, and annul such bylaws, rules, and regulations for the operation of the affairs of the Board; and since the governing authority of the Parish of St. Charles, Louisiana, is not in any event liable for the payment of principal or interest on any bonds of the Board or the performance of any pledge or agreement of the Board; the Board is a separate governmental reporting entity. Certain units of local government over which the Board exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Board.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. 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.

D. CASH

Under state law, the Board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. INVESTMENTS

Under state law, the Board may invest in United States bonds, treasury notes, or certificates.

F. 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.

G. FIXED ASSETS AND LONG-TERM LIABILITIES

The Board owns no fixed assets, and long-term liabilities are reflected on the accompanying Statement of Financial Position.

H. COMPENSATED ABSENCES AND PENSION PLAN

The Board has no employees; therefore, it does not have a formal vacation and sick leave policy and does not contribute to a pension plan.

I. ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS RECEIVABLE FROM DIRECT FINANCING LEASE AGREEMENTS

The amount receivable from direct financing lease agreements represents the amount due from one corporation which is located in St. Charles Parish. The Board considers this amount to be fully collectible. Therefore, no allowance is deemed necessary by the Board.

2. CASH AND INVESTMENTS

A. CASH

At December 31, 2001, the Board had cash (book balances) totaling $2,421 in an interest bearing demand deposit account.

2. CASH AND INVESTMENTS - Continued

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. At December 31, 2001, the Board had $2,421 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance.

B. INVESTMENTS

The Board has investments in United States Treasury bills, which are held by the Federal Reserve for the customer accounts of Bank One. The investments are considered insured or registered (Category 1) in applying the credit risk of GASB Codification Section I 50.125. At December 31, 2001, the Board has an investment in a United States Treasury Bill reported on the balance sheet at an amortized cost of $11,891 and which has a market value of $11,891.

3. RESTRICTED ASSETS - DIRECT FINANCING LEASES RECEIVABLE

The Board enters 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. At year-end, there are no lease agreements and consequently no receivable.

4. CHANGES IN LONG-TERM DEBT

The following is a summary of the long-term liability transactions for the year ended December 31, 2001:

	Nabisco Brands, Incorp.	TOTAL
Bonds Payable at Jan. 1, 2001	$1,625,000	$1,625,000
Deductions: 2001	1,625,000	1,625,000
Bonds Payable at Dec. 31, 2001	$0	$0

The industrial revenue bond was comprised of the following individual issue:

$1,625,000 issue of June 1, 1983, for the Nabisco Brands, Incorporated Project; bonds mature on June 1, 2003 and bear interest at 9.9 per cent. Interest payments commenced on December 1, 1983, and are due thereafter on June 1 and December 1 of each year. The bonds may be redeemed prior to maturity on or after June 1, 1993, at the redemption prices set forth in the bond indenture. Bank One serves as the trustee.

4. CHANGES IN LONG-TERM DEBT - Continued

According to the lease agreement, all principal and interest requirements are funded with lease payments that are equal to the semi-annual payments for principal and interest. The bonds are limited obligations of the Industrial Development Board of the Parish of St. Charles, Louisiana, Incorporated, payable solely from lease payments pledged and assigned to the trustee by the Board under a Mortgage and Indenture of Trust. The bonds are secured by a Mortgage and Indenture of Trust and are also secured by an unconditional Bond Guaranty Agreement between the lessee and the trustee. The lessee, after compliance with the provisions of the lease agreement and the indenture, is obligated to purchase the project for the sum of $1,000. The lessee opted to redeem the bonds and transact the sale for $1,000 between the Industrial Development Board and Nabisco Holding Corp. and to do the Release of Indenture and Termination of the Lease on August 22, 2001. There are no bonds due at December 31, 2001.

5. LITIGATION

There is no litigation pending against the Board at December 31, 2001.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the
Industrial Development Board of the
Parish of St. Charles, Louisiana, Inc.
Hahnville, Louisiana

We have audited the financial statements of the Industrial Development of the Parish of St. Charles, Louisiana; Inc. (a non-profit corporation) for the year ended December 31, 2001 and have issued our report thereon dated June 3, 2002. We conducted our audit 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.

Compliance

As part of obtaining reasonable assurance about whether the Industrial Development Board of the Parish of St. Charles, Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Industrial Development Board of the Parish of St. Charles, Louisiana, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

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A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management of the Industrial Development Board of the Parish of St. Charles, Louisiana, Inc. and various federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parities.

Stagni & Company

Thibodaux, Louisiana
June 3, 2002

INDUSTRIAL DEVELOPMENT BOARD OF THE PARISH OF ST. CHARLES, LOUISIANA, INC.

Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2001

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
NONE	
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
NO FEDERAL AWARDS	
SECTION III - MANAGEMENT LETTER	
NONE ISSUED	

INDUSTRIAL DEVELOPMENT BOARD OF THE PARISH OF ST. CHARLES, LOUISIANA, INC.

Corrective Action Plan

For the Year Ended December 31, 2001

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
NONE NECESSARY - NO FINDINGS	
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
NOT APPLICABLE - NO FEDERAL AWARDS	
SECTION III - MANAGEMENT LETTER	
NONE ISSUED	