

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2021

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Annual Financial Report  
As of and for the Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Independent Auditors' Report		1
Required Supplemental Information (Part I) Management's <i>Discussion and Analysis</i>		5
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements:		
Statement of Net Position	A	13
Statement of Activities	B	14
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	D	16
Statement of Revenues, Expenditures and Changes in Fund Balances	E	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	18

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Annual Financial Report  
As of and for the Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Proprietary Fund:		
Statement of Net Position	G	19
Statement of Revenues, Expenses, and Changes in Net Position	H	20
Statement of Cash Flows	I	21
Notes to Financial Statements		22
Required Supplemental Information (Part II)		
	<u>Schedules</u>	<u>Page</u>
Budget Comparison Schedule	1	36
Notes to Budgetary Comparison Schedule		37
<u>Other Supplemental Schedules</u>		
Schedule of Compensation Paid Board Members	2	39
Schedule of General Fund Expenditures	3	40
Schedule of Compensation, Benefits and Other Payments to Agency Head	4	41
<u>Other Report Required by <i>Government Auditing Standards</i></u>		
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>		43

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Annual Financial Report  
As of and for the Year Ended June 30, 2021

TABLE OF CONTENTS

Other Information

Schedule of Current Year Findings	46
Status of Prior Audit Findings	48

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners of the  
North Webster Parish Industrial District  
Springhill, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of North Webster Parish Industrial District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**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 opinions 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 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 auditor's judgment, including the assessment of 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 District'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 entity'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 opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the North Webster Parish Industrial District as of June 30, 2021, and the respective changes in financial position and cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-11 and 36-37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Webster Parish Industrial District's basic financial statements. The other supplemental schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental schedules, as listed in the table of contents, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

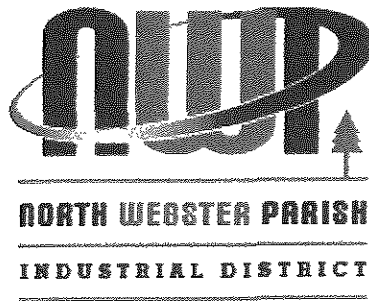
In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

*Wise Marten & Cole LLC*

Minden, Louisiana  
March 18, 2022

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART I)**





## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis (MD&A) of the North Webster Parish Industrial District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the financial statements and the financial statements to enhance their understanding of the North Webster Parish Industrial District's financial performance.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 13 and 14) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 15. For governmental activities, fund statements tell how activities were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

### **Reporting the District as a Whole – Government-Wide Financial Statements (GWFS)**

#### **The Statement of Net Position and the Statement of Activities**

Our analysis of the District as a whole begins on page 13. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets, liabilities and deferred outflows/inflows, using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. One could think of net position—the difference between assets, liabilities and deferred outflows/inflows, as a measure of the District's financial health, or financial position. Over time, increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating.

One also needs to consider nonfinancial factors, however, such as changes in the District's property tax base and the occupancy and expansion of the industrial park, to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- **Governmental activities** – Most of the District’s basic services are reported here, which includes general administration and park maintenance. Property taxes, building leases, and state grants finance most of these activities.
- **Business-type activities** – The District charges a fee to its tenants to help it cover the water and sewer services it provides. The District’s water and sewer system activities are reported here.

### **Fund financial statements**

Fund financial statements provide detailed information regarding the District’s most significant activities and are not intended to provide information for the District as a whole. Funds are accounting devices that are used to account for specific sources of funds. The District’s two kinds of funds – *governmental and proprietary* – use different accounting approaches.

- **Governmental funds** – The District’s report includes two governmental funds, the General fund and Debt Service fund. The primary operations are reported in the General fund which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The Debt Service fund accounts for resources used to service long-term debt. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation following the fund financial statements.
- **Proprietary funds** – When the District charges its tenants for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District’s Enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**THE DISTRICT AS A WHOLE**

For the year ended June 30, 2021, net position changed as follows:

**Table 1  
Net Position**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total Primary Government</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 3,328,810	\$ 4,259,873	\$ 108,313	\$ 158,121	\$ 3,437,123	\$ 4,417,994
Capital assets	<u>14,331,519</u>	<u>12,942,980</u>	<u>1,020,837</u>	<u>768,371</u>	<u>15,352,356</u>	<u>13,711,351</u>
Total assets	<u>17,660,329</u>	<u>17,202,853</u>	<u>1,129,150</u>	<u>926,492</u>	<u>18,789,479</u>	<u>18,129,345</u>
Long-term liabilities	250,000	488,762	-	-	250,000	488,762
Other liabilities	<u>22,857</u>	<u>45,451</u>	<u>28,008</u>	<u>8,294</u>	<u>50,865</u>	<u>53,745</u>
Total liabilities	<u>272,857</u>	<u>534,213</u>	<u>28,008</u>	<u>8,294</u>	<u>300,865</u>	<u>542,507</u>
Net position:						
Net investment in capital assets						
assets	14,331,519	12,942,980	1,020,837	768,371	15,352,356	13,711,351
Restricted	232,615	220,110	-	-	232,615	220,110
Unrestricted	<u>2,823,338</u>	<u>3,505,550</u>	<u>80,305</u>	<u>149,827</u>	<u>2,903,643</u>	<u>3,655,377</u>
Total net position	<u>\$ 17,387,472</u>	<u>\$ 16,668,640</u>	<u>\$ 1,101,142</u>	<u>\$ 918,198</u>	<u>\$ 18,488,614</u>	<u>\$ 17,586,838</u>

As mentioned earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2021, the District's assets exceeded liabilities by \$17,387,472 and \$1,101,142 in the governmental and business type activities, respectively.

The largest portion of the District's net position (83%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide infrastructure and buildings to tenants operating within the industrial park. These assets are not available for future spending, unless sold.

Restricted net position represents amounts available to cover debt service requirements.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation, debt covenants, or other legal requirements – is \$2,823,338 in the governmental activities as of June 30, 2021. The business-type activities report \$80,305 as unrestricted net position.

**Table 2  
Changes in Net Position**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 374,879	\$ 365,154	\$ 34,915	\$ 44,759	\$ 409,794	\$ 409,913
Capital grants & contributions	665,621	38,253	103,932	45,633	769,553	83,886
General revenues:						
Property taxes	526,515	516,899	-	-	526,515	516,899
Royalties	95	7,733	-	-	95	7,733
Investment earnings	<u>19,049</u>	<u>25,049</u>	<u>-</u>	<u>-</u>	<u>19,049</u>	<u>25,049</u>
Total revenues	<u>1,586,159</u>	<u>953,088</u>	<u>138,847</u>	<u>90,392</u>	<u>1,725,006</u>	<u>1,043,480</u>
<b>Program expenses</b>						
General government	693,591	935,284	-	-	693,591	935,284
Interest on long-term debt	7,164	16,592	-	-	7,164	16,592
Water and sewer	<u>-</u>	<u>-</u>	<u>122,475</u>	<u>109,289</u>	<u>122,475</u>	<u>109,289</u>
Total expenses	<u>700,755</u>	<u>951,876</u>	<u>122,475</u>	<u>109,289</u>	<u>823,230</u>	<u>1,061,165</u>
Excess (deficiency) before special items, extraordinary items and transfers	885,404	1,212	16,372	(18,897)	901,776	(17,685)
Transfers	<u>(166,572)</u>	<u>(53,210)</u>	<u>166,572</u>	<u>53,210</u>	<u>-</u>	<u>-</u>
Change in net position	718,832	(51,998)	182,944	34,313	901,776	(17,685)
Net position – beginning	<u>16,668,640</u>	<u>16,720,638</u>	<u>918,198</u>	<u>883,885</u>	<u>17,586,838</u>	<u>17,604,523</u>
Net position – ending	\$ <u>17,387,472</u>	\$ <u>16,668,640</u>	\$ <u>1,101,142</u>	\$ <u>918,198</u>	\$ <u>18,488,614</u>	\$ <u>17,586,838</u>

### **Governmental-type activities**

The net position of the governmental-type activities increased by \$718,832.

Comparing the current and prior year revenues of the District’s governmental activities, there was an increase of approximately \$633,000. A large part of this increase is due to an EDAP grant from the State of Louisiana of \$250,000 to make improvements to a District building. The tenant of that building also contributed approximately \$415,000 towards the costs of improvements to the District’s building.

Total governmental expenses were approximately \$250,000 less in the current, due to the fact that in the prior year, the District paid a \$250,000 signing bonus to a new tenant. No signing bonus was paid during the current year.

### **Business-type activities**

Overall, the revenues recognized in the Water and Sewer fund for the District increased by approximately \$49,000 over the prior year. While the charges for water usage by tenants of the District decreased by approximately \$10,000, the District earned and recognized the remainder of a grant from the Delta Regional Authority which was used to improve the wastewater treatment plant.

This improvement project started in the prior year and completed in the current year.

Expenditures for the Water and Sewer fund increased by approximately \$13,000 from the prior year. This increase included additional costs for repairs and the services of a grant administrator.

The water and sewer system's cash outflows are covered with funds available from the governmental activities because the system's revenues are not enough to cover the costs of the water and sewer operations. During the year, the governmental activities funded \$166,572 of the business-type activities.

## **THE DISTRICT'S FUNDS**

The focus of the District's governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful for assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$3,288,063, reflecting a decrease of \$894,315 from the prior fiscal year balance of \$4,182,378.

Revenues increased by approximately \$252,000. This increase is from an EDAP grant provided by the State of Louisiana to make improvements to a building.

Compared to last year, the General fund expenditures increased by approximately \$1.1 million. The District's current year expenditures included payments to improve a District building being leased to a new tenant, which included a \$250,000 payment to the District's tenant to help cover the tenant's costs of improving the District's building.

The District's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year ended June 30, 2021, the District made one amendment to its budget. The original revenues were increased by approximately \$149,000. Budget amendments to revenues were made to reflect a \$117,000 decrease in rental income and \$250,000 increase in state funding. Projected expenditures were amended to reflect an increase in both general government and capital outlay expenditures of more than \$1.5 million, to increase the budget for the costs of improving a District building to be leased to a new tenant of the Industrial Park.

## CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of June 30, 2021, the District had over \$23 million invested in capital assets including buildings, park facilities, and the water and sewer system.

	Governmental		Business-type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 500,575	\$ 500,575	\$ -	\$ -	\$ 500,575	\$ 500,575
Construction in progress	-	72,000	367,698	65,570	361,248	137,570
Land improvements	120,436	134,758	-	-	120,436	134,758
Building and improvements	13,707,598	12,231,569	-	-	13,707,598	12,231,569
Improvements other than bldg.	-	-	653,139	702,801	653,139	702,801
Equipment	2,910	4,078	-	-	2,910	4,078
Totals (net of depreciation)	\$ <u>14,331,519</u>	\$ <u>12,942,980</u>	\$ <u>1,020,837</u>	\$ <u>768,371</u>	\$ <u>15,345,906</u>	\$ <u>13,711,351</u>

During the year, the District finished construction to improve one of its newly leased buildings, incurring approximately \$1,400,000. About \$415,000 of the construction was paid for by the lessee. More information in Note 14. The District also continued a project to expand the wastewater treatment plant incurring approximately \$280,000. A portion of the wastewater treatment plant improvements will be funded by the District and a grant from the Delta Regional Authority.

## DEBT

The North Webster Parish Industrial District issued Industrial Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition, construction and installation of a manufacturing facility deemed to be in the public interest. The bonds are secured by a \$2,900,000 Letter of Credit, revenues received in connection with the leasing of the facility, revenues of the District in excess of the statutory, ordinary and customary expenses, and any economic development tax of the District. As of June 30, 2021, the District had \$250,000 in debt as compared to \$485,000 last year. No new debt was issued during the year.

More detailed information about the District's long-term liabilities is presented in Note 11 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The North Webster Parish Industrial District ("NWPID") adopted the millage rate of 5.18 mills on August 16, 2021. The millage is permitted for a period of ten years and generates income of approximately \$516,751. This will be the third year for the renewal that was adopted in 2019. The income generated is used to maintain NWPID infrastructure and the general operating expenses of NWPID. Rental income and investments income continue to be stable. This income derives the balance of the income to which NWPID operates.

NWPID renewed the annual lease with CSP for the Spec Building #4 effective September 1, 2021. This lease currently has an option for an additional year. The spec building lease will generate \$64,800.00 in revenue. The CSP Revenue Bond of \$2,900,000.00 matured and was paid off in September 2021. CSP signed a 15-year building lease effective January 1, 2022, and CSP will pay rent in the amount of

\$12,000 annually if they have a minimum of 175 full time employees on payroll. NWPID has committed \$200,000 for road construction and \$1,200,000 for expansion to the manufacturing building currently leased by Continental Structural Plastics (“CSP”). The expansion will add approximately 22,000 square feet to the building owned by NWPID and will create an additional 33 jobs.

NWPID signed a building lease with E.I. Williams, a Canadian company on February 10, 2020. The lease is for the newly constructed 50,000 square foot manufacturing building for twenty-five (25) years at \$1.00 per year with the commencement date effective 2-1-21. The company has committed to generating 100 jobs within five years and maintain that level of employment for the term of the lease. Construction has been completed and E. I. Williams Industries is operational.

NWPID executed a 1st amendment to Integrico’s lease effective 5-19-21. The terms are that Integrico will maintain 55 full time permanent jobs. The 2020 annual rent in the amount of \$60,000 will be paid in 16 equal quarterly installments. The 2021 annual rent in the amount of \$120,000 will be paid in 16 equal quarterly installments. Commencing on January 1, 2022, annual rent in the amount \$120,000 will be paid in quarterly installments.

NWPID signed a 5-year building lease with Springhill Medical Center on 9-1-20 for \$1,250.00 per month which will generate \$15,000 in annual revenue.

NWPID signed a 1-year building lease with Sawmill Supplies & Equipment on February 20, 2021, at \$650 per month which will generate \$7,800.00 in annual revenue.

NWPID continues to move forward and tenants within the Industrial District continue to have steady growth and are operating within the restrictions and changes caused by the Covid-19 pandemic.

## **CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional information, contact the District’s office at PO Box 176, Springhill, Louisiana, 71075, (318) 539-5058.

## **BASIC FINANCIAL STATEMENTS**



**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Statement of Net Position**  
**June 30, 2021**

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,839,380	\$ 105,753	\$ 1,945,133
Restricted cash and cash equivalents	232,615	-	232,615
Investments	1,187,459	-	1,187,459
Receivables, net of allowances	50,581	2,560	53,141
Prepays	18,303	-	18,303
Deposits	472	-	472
Noncurrent assets:			
Land and construction in progress	500,575	367,698	868,273
Depreciable capital assets, net of depreciation	<u>13,830,944</u>	<u>653,139</u>	<u>14,484,083</u>
Total assets	<u>17,660,329</u>	<u>1,129,150</u>	<u>18,789,479</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	22,444	28,008	50,452
Interest payable	413	-	413
Noncurrent liabilities:			
Due within one year	250,000	-	250,000
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>272,857</u>	<u>28,008</u>	<u>300,865</u>
<b>NET POSITION</b>			
Net investment in capital assets	14,331,519	1,020,837	15,352,356
Restricted for debt service	232,615	-	232,615
Unrestricted	<u>2,823,338</u>	<u>80,305</u>	<u>2,903,643</u>
Total net position	<u>\$ 17,387,472</u>	<u>\$ 1,101,142</u>	<u>\$ 18,488,614</u>

The accompanying notes are an integral part of this statement.

## STATEMENT B

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	Expenses	Program Revenues		Net (Expenses)/ Revenue	Net (Expenses) Revenues and Changes of Primary Government		
		Charges for Services	Capital Grants & Contributions		Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT:</b>							
<b>Governmental activities</b>							
General government	\$ 693,591	\$ 374,879	665,621	\$ 346,909	\$ 346,909	\$ -	\$ 346,909
Interest on long-term debt	7,164	-	-	(7,164)	(7,164)	-	(7,164)
Total governmental activities	<u>700,755</u>	<u>374,879</u>	<u>665,621</u>	<u>339,745</u>	<u>339,745</u>	<u>-</u>	<u>339,745</u>
<b>Business-type activities</b>							
Water and sewer	122,475	34,915	103,932	16,372	-	16,372	16,372
Total business-type activities	<u>122,475</u>	<u>34,915</u>	<u>103,932</u>	<u>16,372</u>	<u>-</u>	<u>16,372</u>	<u>16,372</u>
14 Total primary government	<u>\$ 823,230</u>	<u>\$ 409,794</u>	<u>\$ 769,553</u>	<u>\$ 356,117</u>	<u>\$ 339,745</u>	<u>\$ 16,372</u>	<u>\$ 356,117</u>
General revenues:							
Property taxes levied for general purposes					526,515	-	526,515
Royalties					95	-	95
Investment earnings					19,049	-	19,049
Transfers					(166,572)	166,572	-
Total general revenues, special items, extraordinary items, and transfers					379,087	166,572	545,659
Change in net position					718,832	182,944	901,776
Net position-beginning					<u>16,668,640</u>	<u>918,198</u>	<u>17,586,838</u>
Net position-ending					<u>\$ 17,387,472</u>	<u>\$ 1,101,142</u>	<u>\$ 18,488,614</u>

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2021**

		Debt Service Fund	
	General Fund	Industrial Revenue Bonds, Series 2001	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,839,380	\$ -	\$ 1,839,380
Restricted cash and cash equivalents	-	232,615	232,615
Investments	1,187,459	-	1,187,459
Receivables (net of allowances for uncollectibles)	50,581	-	50,581
Deposits	472	-	472
<b>Total assets</b>	<b><u>\$ 3,077,892</u></b>	<b><u>\$ 232,615</u></b>	<b><u>\$ 3,310,507</u></b>
<b>LIABILITIES</b>			
Accounts, salaries, and other payables	\$ 22,444	\$ -	\$ 22,444
<b>Total liabilities</b>	<b><u>22,444</u></b>	<b><u>-</u></b>	<b><u>22,444</u></b>
<b>FUND BALANCES</b>			
Restricted	-	232,615	232,615
Unassigned	3,055,448	-	3,055,448
<b>Total fund balances</b>	<b><u>3,055,448</u></b>	<b><u>232,615</u></b>	<b><u>3,288,063</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 3,077,892</u></b>	<b><u>\$ 232,615</u></b>	<b><u>\$ 3,310,507</u></b>

The accompanying notes are an integral part of this statement.

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position

June 30, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)		\$ 3,288,063
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		14,331,519
Assets used in governmental activities that are not financial resources and therefore, are not reported in the governmental funds:		
Prepaid assets		18,303
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Interest payable	(413)	
Bonds payable	<u>(250,000)</u>	<u>(250,413)</u>
Net Position of Governmental Activities (Statement A)		<u>\$17,387,472</u>

The accompanying notes are an integral part of this statement.

**STATEMENT E**

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**

**Governmental Funds**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**For the Year Ended June 30, 2021**

		Debt Service Fund	
	General Fund	Industrial Revenue Bonds, Series 2001	Total Governmental Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ 526,515	\$ -	\$ 526,515
Rental income	116,345	259,849	376,194
Intergovernmental	250,000	-	250,000
Oil & gas royalty	95	-	95
Investment earnings	19,045	4	19,049
Total revenues	912,000	259,853	1,171,853
<b>EXPENDITURES</b>			
Current:			
General government	205,358	-	205,358
Capital outlay	1,446,890	-	1,446,890
Debt service:			
Principal	-	235,000	235,000
Interest and other charges	-	12,348	12,348
Total expenditures	1,652,248	247,348	1,899,596
Excess (deficiency) of revenues over expenditures	(740,248)	12,505	(727,743)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(166,572)	-	(166,572)
Total other financing sources and uses	(166,572)	-	(166,572)
Net change in fund balances	(906,820)	12,505	(894,315)
Fund balances - beginning	3,962,268	220,110	4,182,378
Fund balances - ending	\$ 3,055,448	\$ 232,615	\$ 3,288,063

The accompanying notes are an integral part of this statement.

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities**

**For the Year Ended June 30, 2020**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ (894,315)
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$1,446,890) exceeded depreciation (\$473,972) in the current period.	972,918
Revenues in the Statement of Activities that do not provide available current financial resources are not reported as revenues in the funds.	414,306
The repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the Statement of Net Position.	235,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(9,077)</u>
Change in Net Position of Governmental Activities, Statement B	<u>\$ 718,832</u>

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2021**

	<u>Business-Type Activity</u>
	<u>Water and Sewer</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 105,753
Accounts receivable	<u>2,560</u>
Total current assets	<u>108,313</u>
Noncurrent assets:	
Capital assets:	
Construction in progress	367,698
Plant and equipment	2,159,130
less: accumulated depreciation	<u>(1,505,991)</u>
Total noncurrent assets	<u>1,020,837</u>
Total assets	<u>1,129,150</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	<u>28,008</u>
Total current liabilities	<u>28,008</u>
Total liabilities	<u>28,008</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,020,837
Unrestricted	<u>80,305</u>
Total net position	<u>\$ 1,101,142</u>

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2021**

	Business-Type Activity
	<u>Water and Sewer</u>
<b>Operating revenues:</b>	
Charges for services	
Water and sewer income	\$ 34,915
Total operating revenues	<u>34,915</u>
<b>Operating expenses:</b>	
Contract labor	12,000
Tank rental	3,270
Utilities	16,004
Dues & subscriptions	691
Testing fees	2,631
Repairs and maintenance	32,086
Depreciation	49,662
Grant administration	5,500
Telephone	631
Total operating expenses	<u>122,475</u>
<b>Operating income (loss) before contributions and transfers</b>	<b>(87,560)</b>
Capital contributions	103,932
Transfers in	<u>166,572</u>
<b>Change in net position</b>	<b>182,944</b>
<b>Net position - beginning</b>	<u>918,198</u>
<b>Net position - ending</b>	<u>\$ 1,101,142</u>

The accompanying notes are an integral part of this statement.



## STATEMENT I

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2021**

	Business-Type Activity <u>Water and Sewer</u>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 35,127
Cash (payments) for supplies and services	<u>(49,137)</u>
Net cash (used) by operating activities	<u>(14,010)</u>
 <b>Cash flows from noncapital financing activities:</b>	
Transfer from other funds	<u>166,572</u>
Net cash provided by noncapital financing activities	<u>166,572</u>
 <b>Cash flows from capital and related activities:</b>	
Capital grants	149,566
Construction of capital assets	<u>(302,128)</u>
Net cash (used) by capital and related activities	<u>(152,562)</u>
 Net increase in cash and cash equivalents	-
 Cash and cash equivalents at beginning of year	<u>105,753</u>
 Cash and cash equivalents at end of year	<u>\$ 105,753</u>
 <b>Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:</b>	
Operating (loss)	\$ (87,560)
 Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	49,662
Change in assets and liabilities:	
Accounts receivable	212
Prepaid expenses	3,962
Accounts payable	<u>19,714</u>
 Net cash provided (used) by operating activities	<u>\$ (14,010)</u>

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**INTRODUCTION**

The North Webster Parish Industrial District was created as a political subdivision of the state, under the provisions of Act No. 422 of the 1978 regular session of the Louisiana Legislature. Its territorial limits and jurisdiction extend throughout Ward Two of Webster Parish in the northwest corner of the State of Louisiana.

The governing authority of the District is a Board of Commissioners consisting of seven members, two of whom are appointed by the City of Springhill, one each is appointed by the municipalities of Cullen, Sarepta, Shongaloo, and Cotton Valley, and one is appointed by the Webster Parish Police Jury. Each commissioner serves for an indefinite term of office at the pleasure of the appointing authority.

The District is provided the powers and duties to incur debt and issue bonds to encourage industrial enterprises through the operation of an industrial park. In addition, the District operates a water and sewer system to provide water to tenants of the industrial park.

**1. Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The accompanying basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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**

Governmental Accounting Standards Board (GASB) Statements establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government.

Based on the criteria of GASB Statement No 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14, and No. 34, the District is deemed to be a separate reporting entity and there are no component units for which the District is considered to be financially accountable.

**C. Government-wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds.) Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's industrial park and general administrative services are classified as governmental activities. The District water services are classified as business-type activities.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2021**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the North Webster Parish Industrial District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Depreciation expense is specifically identified by function and is included in the direct expense of each function.*

Indirect expenses not allocated to functions are reported separately in the Statement of Activities. Interest expense is considered an indirect expense and is reported separately in the Statement of Activities.

Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, oil & gas royalties, interest income and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2021**

incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related claims and judgments, are recorded only when payment is due.

Property taxes, rental income, royalties and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports two major governmental funds, which include:

*General fund* – The General fund is the entity’s primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

*Debt Service fund* – The Debt Service fund is used to account for transactions relating to resources retained and used for the payment of principal and interest on the Industrial Revenue Bonds, Series 2001.

The District reports one proprietary fund. The Enterprise fund (Water & Sewer) is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are from charges for water and sewerage services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**E. Cash, cash equivalents and investments**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts considered in time deposits and investments with original maturities of 90 days or less. If the original maturities of investments exceed 90 days, they are classified as investments.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2021**

State law and the District's investment policy allow the District to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. The District's investment policy goals are (1) safety of principal, (2) liquidity, and (3) yield. The District-adopted investment policy does not address credit risk or custodial credit risk.

For purposes of the Statement of Cash Flows, the District considers highly liquid investments with original maturities of 90 days or less (including restricted assets) to be cash equivalents.

Investments in certificates of deposit and money market mutual funds are stated at amortized cost.

**F. Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities are lease revenues, property taxes, and reimbursements on amounts overpaid to tenants.

Business-type activities report utilities as their major receivable. The District considers substantially all customers' utility receivables and other receivables to be fully collectible; accordingly, an allowance for doubtful accounts is not required. If amounts become uncollectible, in the opinion of management, they are charged to operations at that time.

In the fund financial statements, material receivables in governmental funds include revenue accruals for lease payments, a reimbursement on amounts overpaid to tenants, and other intergovernmental revenues since they are usually both measurable and available.

**G. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows or resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District does not have any item that qualifies for reporting in this category.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until then. The District does not have any item that qualifies for reporting in this category.

**H. Prepaids**

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are accounted for on the consumption method. The balance in prepaids is recognized in the government-wide financial statements.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**

**Notes to the Financial Statements**

**As of and for the Year Ended June 30, 2021**

**I. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation.

The District maintains a threshold level of \$2,500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset nor materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20-40 years
Buildings and building improvements	10-40 years
Equipment	5-20 years

**J. Compensated Absences**

The District's policy for paid-time off permits full-time employees to accumulate earned but unused vacation/sick time. The amount of paid-time off an employee is eligible for is determined by amount of time of service for the District. The employee is allowed to carryforward to the next calendar year up to 15 days of earned paid time off if workload dictates and with approval by the manager.

**K. Long-term obligations**

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund financial statements. Bond premiums and discounts, and gains/losses on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount or gains/losses on refunding.

**L. Fund balances**

The North Webster Parish Industrial District implemented the provisions of Governmental Accounting Standards Board Statement 54, which redefined how fund balances are presented in the fund financial statements. In the fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2021**

Restricted - Amounts that can be spent only for specific purposes because of state or federal laws, or externally-imposed conditions by grantors or creditors.

Committed – Amounts constrained to specific purposes by the District, using its highest level of decision-making authority. The District establishes (and modifies or rescinds) fund balance commitments by formal approval during open meetings of the District board, which is the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.

Assigned - Amounts the District intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned – amounts that are available for any purpose and not included in other spendable classifications.

The District has not adopted a policy to maintain the General Fund's unassigned fund balance above a certain minimum level.

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

**M. Restricted net position**

The governmental activities report restricted net position for assets accumulated for servicing the North Webster Parish Industrial District Industrial Revenue Bonds, Series 2001.

In the event the District must fund outlays for a particular purpose from restricted (e.g. restricted bond) and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. The District's policy is to consider restricted net position to have been depleted before unrestricted net position is applied.

**N. Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

**O. Bad Debts**

Uncollectible amounts for lease payment receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the receivable.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**2. Ad valorem tax**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied and collected by the tax collector of the Parish of Webster. Taxes are levied in September or October, and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. The tax levy for 2020 was 5.18 mills of the assessed property valuation on tax rolls as of January 1. For the year ended June 30, 2021, taxes of \$529,494 were levied on property with assessed valuations totaling \$102,547,828.

**3. Stewardship, Compliance, and Accountability**

*Budget information.* The District uses the following budget practices:

- 1) The administrative assistant prepares a proposed budget and submits same to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
- 2) After formal review and public inspection, the budget is adopted by the Board of Commissioners prior to June 30 of the year end.
- 3) Formal budgetary integration is employed as a management control device during the year for the General fund. Budgetary amendments require the approval of the Board of Commissioners. The Board of Commissioners is authorized to transfer amounts between line items within any fund.
- 4) The budget for the General fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts, as originally adopted, are amended from time to time by the District.
- 5) Appropriations lapse at the end of each fiscal year.
- 6) The Board of Commissioners may authorize supplemental appropriations during the year.

**4. Cash and Cash Equivalents**

At June 30, 2021, the District had cash and cash equivalents totaling \$2,177,748 in interest-bearing and non-interest-bearing demand deposits. 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 fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2021, the District had \$3,367,777 in deposits and certificates of deposit (collected bank balances). These deposits were secured from risk by \$1,233,487 of federal deposit insurance and



**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2021**

\$4,612,810 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**5. Investments**

As of June 30, 2021, the District's investments consisted of \$1,187,459 in certificates of deposits. Certificates of deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3.)

**6. Receivables**

The receivables at June 30, 2021 are as follows:

	<u>Governmental</u>	<u>Business-type</u>
Lease payments receivable	\$ 121,969	\$ -
Due from other governments	1,290	-
Overpayment reimbursement	47,322	-
Water & sewer receivable	-	2,560
Less: Allowance for uncollectible accounts	<u>(120,000)</u>	<u>-</u>
Total	<u>\$ 50,581</u>	<u>\$ 2,560</u>

Accounts receivable for the government-wide activities is shown net of an allowance of \$120,000.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**7. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2021, for the District is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 500,575	\$ -	\$ -	\$ 500,575
Construction in progress	<u>72,000</u>	<u>-</u>	<u>(72,000)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>572,575</u>	<u>-</u>	<u>(72,000)</u>	<u>500,575</u>
Capital assets being depreciated				
Land improvements	1,374,959	-	-	1,374,959
Buildings and improvements	16,943,568	1,934,510	-	18,878,078
Machinery and equipment	<u>41,974</u>	<u>-</u>	<u>-</u>	<u>41,974</u>
Total capital assets being depreciated	<u>18,360,501</u>	<u>1,934,510</u>	<u>-</u>	<u>20,295,011</u>
Less accumulated depreciation for:				
Land improvements	1,240,201	14,322	-	1,254,523
Building and improvements	4,711,999	458,481	-	5,170,480
Machinery and equipment	<u>37,896</u>	<u>1,168</u>	<u>-</u>	<u>39,064</u>
Total accumulated depreciation	<u>5,990,096</u>	<u>473,971</u>	<u>-</u>	<u>6,464,067</u>
Total capital assets being depreciated, net	<u>12,370,405</u>	<u>1,460,539</u>	<u>-</u>	<u>13,830,944</u>
Governmental activities capital assets, net	<u>\$12,942,980</u>	<u>\$ 1,460,539</u>	<u>\$ (72,000)</u>	<u>\$14,331,519</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Construction in progress	\$ 65,570	\$ 302,128	\$ -	\$ 367,698
Total capital assets, not being depreciated	<u>65,570</u>	<u>302,128</u>	<u>-</u>	<u>367,698</u>
Capital assets being depreciated				
Improvements other than buildings	<u>2,159,130</u>	<u>-</u>	<u>-</u>	<u>2,159,130</u>
Total capital assets being depreciated	<u>2,159,130</u>	<u>-</u>	<u>-</u>	<u>2,159,130</u>
Less accumulated depreciation for:				
Improvements other than buildings	<u>1,456,329</u>	<u>49,662</u>	<u>-</u>	<u>1,505,991</u>
Total accumulated depreciation	<u>1,456,329</u>	<u>49,662</u>	<u>-</u>	<u>1,505,991</u>
Total capital assets being depreciated, net	<u>702,801</u>	<u>(49,662)</u>	<u>-</u>	<u>653,139</u>
Business-type activities capital assets, net	<u>\$ 768,371</u>	<u>\$ 252,466</u>	<u>\$ -</u>	<u>\$ 1,020,837</u>

Depreciation expense was charged as a direct expense of the primary government as follows:

<b>Governmental activities:</b>		<b>Business-type activities:</b>	
General government	\$ <u>473,971</u>	Water & sewer	\$ <u>49,662</u>

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**8. Accounts payable and other accrued liabilities**

The payables of the District at June 30, 2021 are as follows:

	<u>Governmental</u>	<u>Business-type</u>
Accounts payable	\$ 20,774	\$ 28,008
Wages payable	962	-
Payroll tax liabilities	<u>708</u>	<u>-</u>
Total	\$ <u>22,444</u>	\$ <u>28,008</u>

**9. Operating Transfers**

Operating transfer balances for the year ended June 30, 2021, were as follows:

	<u>Operating Transfer</u>	
	<u>IN</u>	<u>OUT</u>
General fund	\$ -	\$ 166,572
Enterprise fund	<u>166,572</u>	<u>-</u>
	\$ <u>166,572</u>	\$ <u>166,572</u>

The costs of operating the water system in excess of the water system revenues are funded by the General fund.

**10. Leases**

The District leases six buildings (including a separate lease for an office facility) to companies operating in the park. The primary terms of the leases range from two years to twenty-five years with, in some cases, options to renew. The District has granted an option, within the primary term of the lease, for the lessee to purchase said building in all leases except for the operating lease on Building #4 and the clinic.

The following is the net investment in each building:

	<u>Cost</u>	<u>Accumulated depreciation as of June 30, 2021</u>
Building #3	\$ 5,996,819	\$ 1,019,135
Building #4	1,297,330	769,522
Building #5	4,269,357	272,231
Building #6	145,000	13,600
Compression Building Facility	5,209,392	2,299,969
Building – Clinic	343,820	135,837
CSP – Office facility/Geothermal Cooling System	<u>955,253</u>	<u>548,649</u>
Total	\$ <u>18,216,971</u>	\$ <u>5,058,943</u>

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2021**

Tenant for Building #3 has changed their lease. The District made the decision to defer the lease payments for Building #3 for the prior year lease payments for 2020 and 2021, in the amounts of \$60,000 and \$120,000, respectively, to be paid back in 16 consecutive quarters, starting January, 2022.

The following is a schedule of future minimum lease payments to be received, as of June 30, 2021:

Year Ended June 30	CSP facility	CSP office	Medical Clinic	Building #3	Building #4	Building #5	Building #6	Total
2022	\$ 28,648	\$ 16,009	\$ 15,000	\$ 82,500	\$ 64,800	\$ 1	\$ 5,200	\$ 212,158
2023	12,000	-	15,000	165,000	-	1	-	192,001
2024	12,000	-	15,000	165,000	-	1	-	192,001
2025	12,000	-	15,000	165,000	-	1	-	192,001
2026	12,000	-	-	142,500	-	1	-	154,501
2027-2031	60,000	-	-	600,000	-	5	-	660,005
2032-2036	60,000	-	-	330,000	-	5	-	390,005
2037-2041	6,000	-	-	-	-	5	-	6,005
2042-2046	-	-	-	-	-	5	-	5
Total minimum lease payments	\$ <u>202,648</u>	\$ <u>16,009</u>	\$ <u>60,000</u>	\$ <u>1,650,000</u>	\$ <u>64,800</u>	\$ <u>25</u>	\$ <u>5,200</u>	\$ <u>1,998,682</u>

**11. Long-term Obligation**

The following is a summary of the change in long-term debt for the year ended June 30, 2021:

Type of debt	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Amount due within one year
Governmental activities:					
Notes from direct placement:					
Industrial revenue bonds	\$ 485,000	\$ -	\$ (235,000)	\$ 250,000	\$ 250,000
Compensated absences	<u>3,762</u>	-	<u>(3,762)</u>	-	-
Total	\$ <u>488,762</u>	\$ -	\$ <u>(238,762)</u>	\$ <u>250,000</u>	\$ <u>250,000</u>

Bonds payable at June 30, 2021, are comprised of the following individual issues:

	Principal Outstanding	Interest to Maturity
\$2,900,000 Revenue Bonds, dated July 1, 2001; Due in annual installments of \$85,000-250,000; Interest at an adjustable weekly interest rate based on the prime rate	\$ 250,000	\$ 1,815

The North Webster Parish Industrial District issued Industrial Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition, construction and installation of a manufacturing facility deemed to be in the public interest. The bonds are secured by a \$2,900,000 Letter of Credit, revenues received in connection with the leasing of the facility, revenues of the District in excess of the statutory, ordinary and customary expenses, and any economic development tax of the District.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2021**

The annual requirements to amortize all debt outstanding as of June 30, 2021, including interest payments of \$1,815 are as follows:

Year ending June 30 2022	<u>Notes from Direct Placement</u>		<u>Total</u>
	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	
	\$ <u>250,000</u>	\$ <u>1,815</u>	\$ <u>251,815</u>

**12. Risk Management**

The District purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the previous year.

**13. Performance grant obligation of the District**

Effective March 18, 2014, the District entered into a cooperative endeavor agreement with the State of Louisiana (State), Louisiana Department of Economic Development (LED), and IntegriCo Composites, Inc. (Company). As part of the agreement, the District was obligated to provide the Company with a performance-based grant of \$5.0 million for equipment costs (the “Equipment Costs Grant”) subject to an annual limit of \$500,000 on a cost reimbursement basis of \$1 from the District for each \$1 expended by the Company. The initial annual grant payment shall be made upon verification that the Company has filled 75 jobs; the second annual payment shall be made upon verification that the Company has filled 300 jobs; subsequent annual grant payments shall be made upon verification that the Company remains within 90% attainment of required jobs.

For the current year, the company did not meet the performance requirements; therefore, the District made no payment on the performance-based grant during the year ended June 30, 2021.

**14. Commitments**

*Guarantees of indebtedness*

On April 21, 2014, the District entered into a cooperative endeavor agreement with Louisiana Department of Economic Development (LED) and IntegriCo Composites, Inc (Company). A performance-based grant of \$2.5 million was awarded to provide cost reimbursement funding for a portion of the costs related of relocating the company headquarters and manufacturing operations to facilities located in the North Webster Parish Industrial Park. The grant is awarded based on the Company’s achieving specific performance objectives through December 31, 2024. In the event the Company successfully achieves all of the initial and annual performance objectives, the reimbursement or repayment of obligations of this performance based grant award will be considered paid and in effect the obligation to repay the grant will be forgiven, the principal and interest payments will be waived, and no cash repayment will be required of the Company.

The Company is considered the primary obligor on this grant repayment for non-performance; however, the obligation was secured by the in-solido obligation of the District.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2021**

Under the existing agreements in place, the Company must create and fill 300 new permanent full-time jobs, with minimum annual payroll. As of June 30, 2021, the jobs reported by the Company were less than the required amounts. No liability has been recognized by the District as of June 30, 2021.

The State is in negotiations with Integrigo regarding the failure to meet performance obligations. As of June 30, 2021, no decision was made regarding repayment to the State.

On April 15, 2021, the District entered into a Cooperative Endeavor to expand one building and repair the road for that building for CSP (Tenant). This project is expected to cost up to \$1,400,000. As of June 30, 2021, no work has been done for this construction project.

**15. Tax abatements**

The District is subject to tax abatements granted by the Louisiana Department of Economic Development (LED). Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2021 by authorized millage is as follows:

<u>Tax code</u>	<u>Millage</u>	<u>Taxable value</u>	<u>Taxpayer exemption</u>
General corporate purposes	5.18 mills	\$ 2,727,059	\$ 14,126

**16. Subsequent events**

Management has evaluated subsequent events through March XX, 2022, the date that the financial statements were available to be issued and determined that no additional disclosures are necessary.

**17. Litigation and claims**

The District is currently not involved in litigation.

## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered part of the basic financial statements. This information includes the Budgetary Comparison Schedule for the General fund and notes to the budgetary comparison schedule.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Ad valorem taxes	\$ 500,000	\$ 525,000	\$ 526,515	\$ 1,515
Rental income	232,979	116,443	116,345	(98)
Intergovernmental	-	250,000	250,000	-
Oil & gas royalty	7,700	95	95	-
Investment earnings	22,400	20,300	19,045	(1,255)
Miscellaneous	100	-	-	-
<b>Total revenues</b>	<u>763,179</u>	<u>911,838</u>	<u>912,000</u>	<u>162</u>
<b>Expenditures</b>				
General government	172,848	182,720	205,358	(22,638)
Capital outlay	-	1,501,260	1,446,890	54,370
<b>Total expenditures</b>	<u>172,848</u>	<u>1,683,980</u>	<u>1,652,248</u>	<u>31,732</u>
Excess (deficiency) of revenues over expenditures	590,331	(772,142)	(740,248)	31,894
<b>Other Financing Sources (Uses)</b>				
Operating transfers out	-	(210,000)	(166,572)	43,428
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(210,000)</u>	<u>(166,572)</u>	<u>43,428</u>
Net change in fund balances	590,331	(982,142)	(906,820)	75,322
<b>Fund balance - beginning</b>	<u>4,088,094</u>	<u>4,088,094</u>	<u>3,962,268</u>	<u>(125,826)</u>
<b>Fund balance - ending</b>	<u>\$ 4,678,425</u>	<u>\$ 3,105,952</u>	<u>\$ 3,055,448</u>	<u>\$ (50,504)</u>



**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**

**Notes to Budgetary Comparison Schedule  
As of and for the Year Ended June 30, 2021**

Note 1 - Budget basis

- A. The budget for the General fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
- B. Appropriations lapse at the end of each fiscal year.

## **OTHER SUPPLEMENTAL SCHEDULES**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements include:

- Schedule of Compensation Paid Board Members
- Schedule of General fund Expenditures
- Schedule of Compensation, Benefits and Other Payments to Agency Head

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**

**Schedule of Compensation Paid Board Members  
June 30, 2021**

The Board of Commissioners of the North Webster Parish Industrial District meets each month. They do not receive any compensation. The following were members of the Board as of June 30, 2021:

Chairman	Randy Sexton	Member	Jeff Harper
Vice-Chairman	John "Darryl" Vercher	Member	Craig Tripp
Secretary-Treasurer	Gerald Holland	Member	Lamar Smith

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
 Schedule of General Fund Expenditures  
 Year Ended June 30, 2021

With Comparative Amounts for the Year Ended June 30, 2020

	<u>2021</u>	<u>2020</u>
General and administrative:		
Salaries	\$ 40,365	\$ 40,750
Taxes	3,550	3,350
Penalties	92	110
Building maintenance	27,337	9,046
Signing bonus	-	250,000
Board recognition	-	48
EDS marketing & promotional	-	1,252
EDS research and intelligence	893	-
Website software	982	396
Insurance	29,286	50,746
Legal and accounting	17,901	19,707
Office	9,559	8,314
Tax assessor fees	18,914	18,087
Travel	-	314
Bank fees	130	354
Promotional	-	372
Telephone	3,963	4,901
Utilities	5,425	6,551
Dues	19,290	40,215
Printing	1,569	547
Commission expense	3,888	3,888
Miscellaneous expense	95	-
Total general and administrative	<u>183,239</u>	<u>458,948</u>
Park expenditures:		
Engineering	1,000	6,500
Maintenance	21,119	26,831
Total park expenditures	<u>22,119</u>	<u>33,331</u>
Capital outlay:		
Professional services	11,260	37,872
Building improvement	1,435,630	-
Total capital outlay	<u>1,446,890</u>	<u>37,872</u>
Total general fund expenditures	<u>\$ 1,652,248</u>	<u>\$ 530,151</u>

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
 Schedule of Compensation, Benefits and Other Payments to Agency Head  
 Year Ended June 30, 2021

<u>Position: District Manager/Chairman</u>	<u>Cindy L. Scheer*</u>	<u>Randy Sexton</u>
<b>Purpose:</b>		
Salary	\$ 32,692	\$ -
Dues	<u>250</u>	<u>-</u>
 Total	 <u>\$ 32,942</u>	 <u>\$ -</u>

\*Cindy Scheer left North Webster Industrial District on 4/9/2021. Since then, Randy Sexton, the District Chairman, has been the Agency Head.

## **OTHER REPORTS**

**WISE, MARTIN & COLE, L.L.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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*

To the Board of Commissioners of the  
North Webster Parish Industrial District

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 governmental activities, the business-type activities, and each major fund of North Webster Parish Industrial District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 18, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 by material

weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of current year findings as item 2021-01, that we consider to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the North Webster Parish Industrial District's financial statements are free of 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 statements 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current year findings as item 2021-02 and 2021-03.

### **District's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of current year findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended purpose of these reports is limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Wese Martin & Cole LLC*

Minden, Louisiana

March 18, 2022



## **OTHER INFORMATION**

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

### Schedule of Current Year Findings For the Year Ended June 30, 2021

#### **Finding 2021-01 Lack of segregation of duties**

**Specific requirement:** Proper internal control requires segregation of duties. An adequate system of internal accounting controls provides for the segregation of duties of employees such that no one employee is in a position to both initiate and approve transactions.

**Condition found:** Management for the North Webster Parish Industrial District does not have proper segregation of duties to ensure adequate internal accounting controls such that no one employee is in a position to both initiate and approve transactions.

The District has one employee who is responsible for receiving checks, endorsing checks, preparing deposit slips, making the deposits, recording transactions in the accounting records, and preparing the bank reconciliation. That same person also, prepares payroll, files payroll reports, maintains paid time off and comp time calculations.

#### **Possible asserted effect (cause and effect)**

**Cause:** The District staff consist of a limited number of employees and therefore it is not feasible to maintain an adequate segregation of duties.

**Effect or potential effect:** Intentional or unintentional errors could be made and not be detected.

**Recommendation to prevent future occurrences:** Although it may not be practical to segregate accounting and reporting duties due to limited personnel, we recommend that members of the Board continue their involvement in monitoring, review and oversight.

**Management Response:** NWPID Management has taken every step available to provide for segregation of duties with a limited staff, especially as it relates to good financial control. With only one employee, this is difficult to achieve. NWPID involves the board members, primarily the Chairman, in reviewing and approving bank reconciliations, payroll, payroll reports, and approving leave and comp time. Additionally, board approval is required for all expenditures, and only members of the board not including staff can sign checks or access the District's funds. The District will review possible documents or recommendation for the best business practices found on the Louisiana Legislative Auditors website.

#### **2021-02 – Budget compliance**

**Specific requirement:** Local Government Budget Act (LGBA) governs budget process of the District.

**Condition found:** Notice of public hearing on proposed budget to be published at least ten days prior to the first public hearing. The District held a public hearing 4 days after the notice of hearing was published.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Schedule of Current Year Findings  
For the Year Ended June 30, 2021

**Possible asserted effect (cause and effect):**

Cause: The District did not appropriately monitor adoption of its budget.

Effect or potential effect: The District was not in compliance with the Local Government Budget Act.

**Recommendation:** We recommend that the District monitor the adoption of its budget as required by the Local Government Budget Act.

**Management Response:** NWPID acknowledges that the District did not follow the guidelines set forth by the Local Government Budget Act. The District has implemented procedures and guidelines of review to be compliance with the Local Government Budget Act. This includes implementing timely amendment guidelines, public notice guidelines and adoption guidelines provided by the Louisiana Legislative Auditors website. NWPID has employed a new District Manager and will make every effort possibly to comply with the Local Government Budget Act. NWPID will have the proposed budget available for public inspection no later than 15 days prior to the beginning of the fiscal year in accordance with state law.

**2021-03 – Public bid law**

**Specific requirement:** Louisiana Revised Statutes 39:2211-38:2226, govern the process for letting contracts when entering into contract for public works that exceed threshold amounts.

**Condition found:**

- Public bid law not followed for a renovation project that was handled by private entities, however used public funds of the District.

**Possible asserted effect (cause and effect):**

Cause: Unknown

Effect or potential effect: The District may have violated the state public bid law.

**Recommendation:** We recommend that the District ensure that all purchases are in compliance with the Louisiana Public Bid law.

**Management Response:** NWPID is committed to ensure that the District is managed and operated in full compliance with the Louisiana Public State law. The District is also committed to complying with all public bidding laws to ensure that public funds are spent in the most responsible and efficient manner possible. NWPID will ensure that moving forward, this oversight will be corrected for any future applicable bids.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Schedule of Prior Year Findings  
For the Year Ended June 30, 2021

**There were three findings for the prior year audit for the year ended June 30, 2020, as follows:**

**Finding 2020-01 Lack of segregation of duties**

**Material weakness:** Management for the North Webster Parish Industrial District does not have proper segregation of duties to ensure adequate internal accounting controls.

**Current Status:** Not resolved. See current year finding, 2021-01.

**2020-02 – Budget compliance**

**Finding:** Budgeted to actual revenues and expenditures exceeded 5% threshold and public hearing was held 5 days after the notice of hearing was published.

**Current Status:** Partially resolved. See current year finding, 2021-02

**2020-03 – Bonus to tenant**

**Finding:** District entered into a lease agreement with a new tenant which included a \$250,000 payment with no restriction or requirement for its stated use by the new tenant.

**Current Status:** Resolved.