

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited or that noncompliance with laws and regulations that would be material to a Federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

This report is intended for the information of TDC. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

Sincerely,



George E. ROBERTS III
Certified Public Accountant

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

Accounting Controls

- A. Revenue/Receipts
- B. Purchases/Disbursements
- C. General Ledger
- D. Cash
- E. Payables

Administrative Controls

- A. Federal Financial Reports
- B. Cash Management
- C. Political Activity
- D. Civil Rights
- E. Matching Loans
- F. Reporting
- G. Cost Allocation
- H. Eligibility
- I. Reciprocity Subrecipients
- J. Types of Services/Goods Allowed

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that could 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the management. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sincerely,



George E. Robinson III
Certified Public Accountant

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November 30, 1994

Independent Auditor's Report

Report on the Internal Control Structure in Accordance
With Government Auditing Standards

Tri District Development Corporation (TDC)
Shreveport, LA

I have audited the financial statements of Tri District Development Corporation (TDC), a not profit organization, as of and for the years ended September 30, 1993 and 1994, and have issued my report thereon dated November 30, 1994.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of TDC as of and for the years September 30, 1993 and 1994, I considered the internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

The management of TDC is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and relative costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

THE DISTRICT DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1979 AND 1978

NOTE 9 - IMPROVEMENTS

In FYE 1978, the Company foreclosed on the Refinance Note and obtained possession, along with a bank, of the plant and equipment originally pledged as collateral on the 'Refinance Note'. The Company has a percentage split with the other mortgage holder, the bank, of 75/25. The value on the statement represents the proceeds expected to be realized. The assets are currently being offered for sale.

NOTE 10 - ESTIMATES

The preparation 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 these estimates.

NOTE 11 - FAIR VALUE OF FINANCIAL

The fair value of financial instruments, notes receivable, approximates the carrying (book) value due to the collateral supporting these assets.

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THE DISTRICT DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION AND AUDITOR'S REPORT
FOR THE YEARS ENDING
SEPTEMBER 30, 1995 & 1996

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the auditor, or someone, entity and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: JAN 29 1997

THE DISTRICT DEVELOPMENT CORPORATION

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Also, I applied procedures to test Tri District Development Corporation's compliance with the following requirements applicable to each of the Federal financial assistance programs, the major programs of which are identified in the accompanying schedule of Federal awards, for the years ended September 30, 1990 and 1989:

- General Requirements
- A. Political Activity
- B. Civil Rights
- C. Cash Management
- D. Federal Financial Reports
- E. Illinois Code
- F. Drug Free Work Place

My procedures for testing the requirements that are listed in the preceding paragraph were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Educational Institutions and Other Nonprofit Institutions." My procedures for testing compliance with the general requirements and the specific requirements applicable to the various programs which are listed in the preceding paragraph were substantially those in scope than an audit, the objective of which is the expression of an opinion on Tri District Development Corporation's compliance with the requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the fourth paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that Tri District Development Corporation had not complied, in all material respects, with those requirements.

This report is intended for the information of Tri District Development Corporation's management and its board. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sincerely,


George E. McDowney III
Certified Public Accountant

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

Accounting Controls

- A. Revenues/Receipts
- B. Purchases/Disbursements
- C. General Ledgers
- D. Cash
- E. Payables

Administrative Control Controls

- A. Political Activity
- B. Civil Rights
- C. Cash Management
- D. Federal Financial Reports
- E. Alcoholic Bevs
- F. Drug Free Work Place

Administrative Specific Controls

- A. Eligibility
- B. Pricing
- C. Types of Services Allowed/Disallowed
- D. Cash Allowances
- E. Monitoring

For all of the internal control structure categories listed above, I obtained an understanding of the design and operation of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the years ended September 30, 1963 and 1964, TDD expended 100% of its total Federal financial assistance under major Federal financial assistance programs (Department of Commerce).

I performed tests of controls, as required by SAS Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to each of the Corporation's major Federal financial assistance programs, which are identified in the accompanying schedule of Federal awards. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted one matter in prior years involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. This matter has been corrected 8 2/3% & 2/3%. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements or to administer Federal financial assistance programs in accordance with applicable laws and regulations. (See attached).

THE DISTRICT DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1970 AND 1971

NOTE 2 - ACCOUNTING POLICIES ADOPTED:

1. **Capitalized Interest** - The Company paid no interest expense.
2. **Advertising** - The Company expenses non-direct response advertising as incurred.
3. **Collateral** - The Company requires collateral on all notes.

NOTE 3 - CASH

All year end and all money and short term investments were insured by Federal Depositary Insurance or by collateral. As of 9/30/70 and 9/30/71 the interest rate being earned was 5.50% and 4.80%.

NOTE 4 - NOTES RECEIVABLE

The following is a summary of notes receivable all secured by real property or equipment and the personal guarantee of the stockholders/owners. All interest rates ranging from 8.0% - 24% per annum.

	Principal Bal. 9/30/70		Principal Bal. 9/30/71
Robert Crain	\$	0	\$ 48,867
Radio Marine Shop		81,537	88,487
Calsonic Associates		144,858	141,233
Easy Products		31,700	3,800
Barney's Koolie Shoppe		84,814	0
Master Funeral Home		58,213	42,256
Kelation		155,754	141,113
James Kelle		3,700	3,700
Ambly Facilities #1		24,844	26,328
Ambly Facilities #2		24,852	26,887
Ambly Facilities #3		28,778	28,888
George Harcus Inc. #1		51,330	49,497
Carrie Mills		44,808	0
J. Green		4,884	0
Alliance Plumbing		1,826	0
Andrew Jackson		82,551	85,450
Bayou Gas		27,881	29,871
Country Loft		48,277	48,288
Mc MacLennan		33,795	33,799
Dinic Foods		33,889	34,970
McManis		141,873	0
Thomasson Furniture		27,828	22,163
Thomas Leppan		10,426	5,204
Leland F. Wick Sr.		0	180,800
Vasey		23,881	21,488
Andy Adams		0	47,187
C. A. Motley Inc.		0	150,800
Food Food Products		0	8,884
Mastercraft Grill		0	24,888
Old Enterprises		20,308	20,303
	<u>\$</u>	<u>3,189,812</u>	<u>3,272,888</u>

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NOEL L. RICHARD HILL, JR.
Chief of Staff, P. 1074

November 30, 1990

Independent Auditor's Report on Compliance with
General Requirements Applicable to Federal Financial
Assistance Programs and Specific Requirements Applicable
to Major Program Transactions

TRI DISTRICT DEVELOPMENT CORPORATION (TRD)
Shreveport, LA

I have audited the financial statements of Tri District Development Corporation (TRD) as nonprofit organization as of and for the years ending September 30, 1989 and 1990, and have issued my report dated November 30, 1990.

I have also audited Tri District Development Corporation's as nonprofit organization compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; monitoring; and cost allocations as they are applicable to the major Federal financial assistance program, which is identified in the accompanying schedule of Federal awards, for the years ended September 30, 1989 and 1990. The management of Tri District Development Corporation is responsible for the organization's compliance with these requirements. My responsibility is to express an opinion on compliance with these requirements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Standards of Instructions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Tri District Development Corporation's compliance with these requirements. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, Tri District Development Corporation complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; and reporting that are applicable to the major Federal financial assistance program for the years ended September 30, 1989 and 1990.

In connection with my audit of the 1989 and 1990 financial statements of Tri District Development Corporation and with my obtaining an understanding of the Organization's internal control structure elements related to administering the Organization's Federal financial assistance programs, as required by OMB Circular A-133, we selected certain transactions applicable to certain major Federal financial assistance programs for the years ended September 30, 1989 and 1990. As required by OMB Circular A-133, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; monitoring; cost allocations; eligibility; and matching that are applicable to these transactions.

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George E. McCoyern III, CPA,
Member A. N. T. S. A.

November 30, 1988

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REQUIREMENTS

Compliance Report Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

Tri District Development Corporation (TDC)
Birmingham, LA

I have audited the financial statements of Tri District Development Corporation (TDC) (a not profit corporation), as of and for the years September 30, 1987 and 1988, and have issued my report thereon dated November 30, 1988.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to TDC, is the responsibility of TDC. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of TDC's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests indicate that, with respect to the items tested, TDC complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that TDC had not complied, in all material respects, with those provisions.

This report is intended for the information of the management. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sincerely,


George E. McCoyern III
Certified Public Accountant

THE DISTRICT DEVELOPMENT CORPORATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEARS ENDING SEPTEMBER 30, 1970 AND 1971

	<u>CFDA</u>	<u>PERIOD</u>	<u>PROGRAM</u>
	<u>NUMBER</u>	<u>COVERED</u>	<u>AMOUNT</u>
Department of Commerce	15.180	9/10/67	1080,800

This schedule is attached due to the receiving fund still being used by the agency.

THE DISTRICT DEVELOPMENT CORPORATION
REPORTABLE CONDITIONS
SEPTEMBER 30, 1983 & 1984

There are no questioned or disallowed cost and the following was discovered in audit of FFR 8/84.

Reportable Condition #2 - Deficiency in internal control system in collection procedures on delinquent loans.

Criteria:

The Agency has implemented controls and procedures to follow in delinquent loans.

Recommendation:

The Board should follow their criteria and have an internal audit to ensure compliance.

Follow-up:

Company has corrected deficiency.

THE DISTRICT DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1956 AND 1955

NOTE 4 - OTHER RECEIVABLES (continued)

Notes made during the years include:

	1955	1956
DR. Enterprise Value	\$ 10,000	\$
Boby Adams	0	45,000
E. S. Harvey Inc	0	180,000
Ford Wood Products	0	10,000
Waterford Mill	0	34,000
1955 Inc	0	100,000
Edwin Craig	0	80,000
	\$ 10,000	\$ 349,000

NOTE 5 - CONTINGENCIES

There are no material contingency items as of 9/30/56.

NOTE 6 - ADMINISTRATIVE FEES

During the years, the following transpired:

	1955	1956
Fees Paid (for servicing, placing, administering the portfolio) to:		
The Three Concerning Districts	\$136,500	\$ 82,320

NOTE 7 - BAD DEBT

During the year, the following loans were written down, net as uncollectible:

	1955	1956
J. Ryan	\$ 0	\$ 5,451
G. Morgan	88,810	0
Earhart Mills	0	14,000
Whitcomb	32,000	0
Boby Products	0	10,801
Plain Trading Aff.	20,880	0
TOTAL	\$ 121,690	\$ 30,252
Reduction in Allowance	\$ 48,000	
Bad Debt Expense	73,690	
	\$ 121,690	

NOTE 8 - OPERATIONS

The Company operates in and makes its loans in North Carolina.

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~~George E. McGovern III P.C.A.~~
George E. Butler, Jr. C.P.A.

November 30, 1996

Independent Auditor's Report

Tri District Development Corporation
Shreveport, LA

In accordance with your request, I have audited the accompanying statement of financial position of Tri District Development Corporation (TDC) in two profit organizations, as of and for the years ended September 30, 1996 and September 30, 1995 and the additional statements as indicated in the Index. These financial statements are the responsibility of TDC's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and GSA Circular A-553, Audits of Institutions of Higher Education and Other Non-Profit Institutions. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the accompanying statements referred to above present fairly, in all material respects, the financial position at September 30, 1996 and September 30, 1995 and the results of operations and changes in fund balances for the periods as indicated in the Index of Tri District Development Corporation (TDC), in conformity with generally accepted accounting principles.

Sincerely,


George E. McGovern III
Certified Public Accountant

Respectfully Acknowledged
Legislative Auditor

By 

THE DISTRICT DEVELOPMENT CORPORATION
 STATEMENTS OF FINANCIAL POSITION
 31 DECEMBER 31, 1995 & 1996

ASSETS

	1995	1996
Cash (Note 2)	\$1,268,218	\$ 931,377
Notes Receivable (Note 4)	1,289,812	1,277,899
Investment in BLD (Note 5)	0	161,622
TOTAL ASSETS	\$2,558,030	\$2,370,900

NET ASSETS

EDA Title II Grant (Note 1)	\$1,900,000	\$1,900,000
EDA Grant (Note 1)	460,000	460,000
Distributed Capital (Note 1 & 5)	200,000	200,000
Retained Earnings	198,030	190,900
TOTAL NET ASSETS	\$2,758,030	\$2,750,900

The accompanying notes are an integral part of these statements.

THE DISTRICT DEVELOPMENT CORPORATION
 STATEMENTS OF ACTIVITY & FUNCTIONAL EXPENSES
 FOR THE YEARS ENDING SEPTEMBER 30, 1955 & 1954

	1955	1954
REVENUE		
Income (Interest & Fees)	\$ 180,810	\$ 180,321
EXPENSES		
Int. Debt (Rate 7)	17,240	21,300
Administration Costs (Rate 4)	120,838	87,376
Other	10,331	8,290
TOTAL EXPENSES	<u>248,409</u>	<u>117,966</u>
NET INCOME (LOSS)	32,401	62,354
Beginning Net Assets	2,328,838	2,328,831
Ending Net Assets	<u>\$ 2,361,239</u>	<u>\$ 2,391,185</u>

The accompanying notes are an integral part of these statements.

THE DISTRICT DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDING SEPTEMBER 30, 1989 & 1988

	1989	1988
Net Cash Provided (Used By) Operating Activities		
Net (Loss) Income	\$ 38,808	\$ 32,198
Adjustments to Reconcile Net Income to Net Cash Provided by Operations		
Bad Debt	29,346	32,198
+ (Increase) Decrease in Notes Receivable (Net of Allowance)	(522,251)	(289,728)
Net Cash Provided (Used By) Operating Activities	578,123	(225,882)
Beginning Cash	(288,287)	1,188,227
Ending Cash	\$ 290,836	\$ 962,345

During these periods, no money was spent for taxes or interest:

	1989	1988
•		
New Notes (Note 4)	\$ 25,000	\$ 289,000
Payments on Notes	294,788	97,288
Reduction in Allowance	(88,488)	0
	\$ 290,836	\$ 291,712

Net Cash Transactions - Proceeds on Balance Note (See Note 9)

The accompanying notes are an integral part of these statements.

GEORGE E. ROYCE JR
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George E. Royce, III, C.P.A.
George E. Royce, Jr., C.P.A.

November 20, 1988

Independent Auditor's Report on Internal Control
Structure Required By OMB Circular 5-123

Tri District Development Corporation
Shreveport, LA

I have audited the financial statements of Tri District Development Corporation (TDC) (a nonprofit organization) for the years ended September 30, 1988 and 1989, and have issued my report thereon dated November 20, 1988. I have also audited the organization's compliance with requirements applicable to major federal financial assistance programs and have issued my report thereon dated November 20, 1988.

I conducted my audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular 5-123, "Guide of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular 5-123 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the organization complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing my audits of the financial statements of Tri District Development Corporation (TDC) for the years ended September 30, 1988 and 1989, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing opinions on the financial statements and on its compliance with requirements applicable to major federal financial assistance program and not to provide assurance on the internal control structure.

The management of TDC is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

TRI DISTRICT DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1995 AND 1994

NOTE 1 - ORGANIZATION, FUNCTION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Function - Tri District Development Corporation was organized in 1990 for the primary purpose of administering the HUD Title II Revolving Loan Fund Grant No. OH-97-02288, awarded to The Coordinating and Development Corporation, Kiewit-Belita Regional Planning and Development District, and North Belita Regional Planning and Development District. It began operations with the initial disbursement of the grant in September 1991. The original grant was for \$1,500,000.

Tri District Development Corporation is managed by a nine member Board of Directors. Each director serves for a term of one year.

On 9/30/94, Tri District Development Corporation was awarded a second grant, No. OH-97-02288-01, for \$200,000. A 25/75 matching of funds was required and this was funded as follows:

The Coordinating and Development Corporation	\$200,000.00
Kiewit-Belita Regional Planning & Development District, Inc.	50,000.00
North Belita Regional Planning & Development District, Inc.	50,000.00
	\$200,000.00

As of 9/30/90, 1400,000 had been drawn leaving a balance due of \$148,000, which was unused and no longer available to Tri District Development Corporation.

NOTE 2 - ACCOUNTING POLICIES

- A. **Cash Equivalents** - Includes amounts in demand deposits as well as short term investments with maturities of less than three months.
- B. **Fund Accounting** - The accounts of TDC are organized on the basis of enterprise fund accounting whereby the operations are classified and operated in a manner similar to private business enterprises. The financial statements have been prepared on a modified accrual basis, whereby all revenues are recognized when susceptible to accrual and expenditures are recorded when the liability is incurred.
- C. **Entity** - TDC is a private, not for profit, IRS Service 501(c)(14) Corporation.
- D. **Bad debts** - TDC uses the allowance method to record its allowance for doubtful accounts.
- E. **Budgets** - Budgets are not required.
- F. **Employees** - The Company has no employees.
- G. **Intangibles** - Intangibles are presented in the financial statements at the fair market value.
- H. **Financial Statement Presentation** - In 1995, the organization was required to present its financial statements in accordance with SFAS No. 317 "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 317, the organization is required to report its formation regarding its financial position and activities according to three classes of assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The reclassification has no effect on the change in net assets for prior years. All assets are unrestricted net assets.

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~~George S. McGovern III, C.P.A.~~
~~George S. McGovern, Jr., C.P.A.~~

November 30, 1995

Independent Auditor's Report on Supplementary Information

Schedule of Federal Financial Assistance

Tri District Development Corporation (TDC)
Shreveport, LA

I have audited the financial statements of Tri District Development Corporation (TDC), a non-profit corporation, as of and for the years September 30, 1995 and 1994, and have issued my report thereon dated December 29, 1995. These financial statements are the responsibility of TDC. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and GAO 8-112. These standards and GAO 8-112 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the financial statements of Tri District Development Corporation, taken as a whole. The accompanying schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Sincerely,



George S. McGovern III
Certified Public Accountant