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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Commissioners
South Webster Parish Industrial District

We have audited the general purpose financial statements of the South Webster Parish Industrial District as of and for the year ended December 31, 1996, and have issued our report thereon dated June 12, 1997.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the South Webster Parish Industrial District 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, and 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. 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.

In planning and performing our audit of the general purpose financial statements of the South Webster Parish Industrial District for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they

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INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
South Webster Parish Industrial District

We have audited the general purpose financial statements of the South Webster Parish Industrial District as of and for the year ended December 31, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the South Webster Parish Industrial District as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. In accordance with Government Auditing Standards, we have also issued a report dated June 12, 1997 on our consideration of the District's internal control structure and a report dated June 12, 1997 on its compliance with laws and regulations.

Jamieson, Wise & Martin

Minden, Louisiana
June 12, 1997

have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our 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 would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by the employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure relating to the loaning of funds for economic development that we have reported to the management of the South Webster Parish Industrial District in a separate letter dated June 12, 1997.

This report is intended for the information of the District's Board of Commissioners and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Jamison, Wise & Martin

Minden, Louisiana
June 12, 1997

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
South Webster Parish Industrial District

We have audited the general purpose financial statements of the South Webster Parish Industrial District as of and for the year ended December 31, 1996, and have issued our report thereon dated June 12, 1997.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the South Webster Parish Industrial District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards.

Material instances of noncompliance are failures to follow requirements or violations of prohibitions, contained in statutes, regulations, contracts, or grants, that cause us to conclude that the aggregation

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT

ANNUAL FINANCIAL REPORT

DECEMBER 31, 1996

Category 3 - Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the entity's name.)

In accordance with GASB No. 3, the District's bank balance of $20,460 is classified as Category 1.

5. *Changes in general fixed assets*

A summary of changes in general fixed assets follows:

	Balance 12-31-95	Additions	Deletions	Balance 12-31-96
Land	$ 370,000	233,903	24,625	579,278
Land Improvements	-	1,114,195	36,153	1,078,042
Buildings	-	439,030	-	439,030
Park Equipment	4,190	-	-	4,190
Construction in progress	1,367,318	185,907	1,553,225	-
Total	$1,741,508	1,973,035	1,614,003	2,100,540

6. *Changes in long-term debt*

The following is a summary of long-term obligation transactions of the District for the year ended December 31, 1996:

	Bonds Payable	Notes Payable	Total
Long-term obligations payable at 12-31-95	$ 645,000	-	$ 645,000
Additions	-	250,000	250,000
Deductions	(105,000)	(75,000)	(180,000)
Long-term obligations payable at 12-31-96	$ 540,000	175,000	$ 715,000

Bonds payable at December 31, 1996, is comprised of the following issue:

$1,000,000 Taxable General Obligation Bonds, Series 1990, dated 3/1/90 due in annual installments through March 1, 2000; interest varying from 12% to 8.5%; secured by levy and collection of ad valorem taxes.

4. *Loans for Economic Development*

We have initiated contact with representatives of the Louisiana Department of Economic Development for information on the proper procedures and policies to be followed in the loaning of funds for economic development.

Thank you for the consideration and courtesies of your staff during the audit engagement.

Sincerely,

Marcus Wren

Marcus Wren
President

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
P.O. BOX 819
MINDEN, LOUISIANA 71058-0819

June 27, 1997

Jamieson, Wise & Martin
ATTN: Mr. Mike Wise, CPA
P.O. Box 897
Minden, LA 71058-0897

Dear Mike:

In response to your Management Letter included in the 1996 audit report, I offer the following comments:

1. *Budget Adoption Procedures*

   In past years, we have always adopted our budgets prior to the beginning of the fiscal year. We consider the late adoption of the 1996 budget an isolated occurrence that will not happen in the future. We intend to fully comply with Louisiana's budget adoption requirements.

2. *Balanced Budget*

   We are aware of the importance of being fiscally responsible in the preparation of a balanced budget. There were significant expenditures during 1996 for construction, development and acquisition of property in the Industrial Park that exceeded our estimated revenues. We will implement appropriate procedures to insure that budgeted expenditures do not exceed estimated revenues in our budget adoption process in accordance with Louisiana laws.

3. *Debt Approval Procedures*

   We have already contacted the State Bond Commission and are currently in the process of submitting the required information to obtain approval for the $175,000 loan outstanding at December 31, 1996. We are now familiar with the required procedures to incur debt and will apply for preliminary approval from the State Bond Commission in the future.

2. *BALANCED BUDGET*

The State of Louisiana in Revised Statute 39:1304 requires that the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuring fiscal year. The 1996 adopted budget of the District indicated that budgeted expenditures exceeded revenues and estimated funds available by $166,462. We advise the District to adhere to Louisiana budget laws in adopting balanced budgets.

3. *DEBT APPROVAL PROCEDURES*

The State of Louisiana Constitution Article 7, Section 8 requires that no state governmental unit or district has the authority to borrow money, incur debt, or to issue bonds without the consent of the State Bond Commission unless the debt incurred is repaid within ninety days. The South Webster Industrial District borrowed funds totaling $250,000 from local banks during 1996. We recommend that the District take all necessary steps to obtain approval of the State Board Commission before incurring debt.

Compliance items not considered material to the general purpose financial statements

4. *LOANS FOR ECONOMIC DEVELOPMENT*

During fiscal year 1996, the District loaned $250,000 to a business to relocate and construct its corporate headquarters within the Industrial Park. We recommend that the District establish a written loan policy for the purpose of economic development in compliance with Louisiana laws and regulations. Although we do not believe any violation has occurred, we do suggest the District consult with the Louisiana Department of Economic Development for guidance on the proper procedures to be followed in loaning funds to private companies for economic development.

We would like to express our appreciation for the cooperation and assistance extended to us during our audit. Should you have any questions concerning the contents of this letter or if we can be of any additional service, please contact us at your convenience.

Dawkins, Wire & Martin

Minden, Louisiana
June 12, 1997

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MANAGEMENT LETTER

The Board of Commissioners
South Webster Parish Industrial District
Minden, Louisiana

We have audited the general purpose financial statements of the South Webster Parish Industrial District, as of and for the year then ended, December 31, 1996, and have issued our report thereon dated June 12, 1997.

In connection with our audit, we made certain observations relative to the records maintained, the accounting procedures in effect, and the overall administration of the financial affairs of the District. There were findings which we considered material to the financial statements. These findings are included in the reports which are bound with the financial statements. However, as a supplement to the reports, we have summarized the observations noted and submit our comments for your consideration.

Material items included in other reports

1. *BUDGET ADOPTION PROCEDURES*

The State of Louisiana in Revised Statute 39:1305 requires that the proposed budget shall be completed and submitted to the Board for approval no later than fifteen (15) days prior to the beginning of each fiscal year. All necessary action to adopt, finalize and implement the budget must be completed prior to the beginning of each fiscal year. If the total proposed expenditures exceed $250,000, the political entity shall cause to be published a notice stating that the proposed budget is available for public inspection. The notice shall be published at least ten (10) days prior to the date of the public hearing. We recommend that the District change its budget adoption procedures to insure that budgets for the General Fund and Debt Service Fund be completed in a timely manner according to Louisiana budget laws.

SOUTH WEBSTER INDUSTRIAL DISTRICT
Schedule of Federal Financial Assistance
For the Year Ended December 31, 1996

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program Award	Federal Receipts Recognized	Disbursements/ Expenditures Recognized
U.S. Department of Commerce					
Economic Development Administration:					
Sudden and Severe Economic Dislocation Program					
Industrial Development Grant - Matching 75% - 25% (Construction Grant)	11.300	08-49-02906	$ 791,250	$ 55,135	$ 55,135

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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Board of Directors
South Webster Parish Industrial District
Minden, Louisiana

We have audited the general purpose financial statements of the South Webster Parish Industrial District for the year ended December 31, 1996, and have issued our report thereon dated June 12, 1997. These general purpose financial statements are the responsibility of the South Webster Parish Industrial District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our 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-128, "Audits of States and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the South Webster Parish Industrial District, 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 our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Jamieson, Wise & Martin

Minden, Louisiana
June 12, 1997

This report is intended for the information of the South Webster Parish Industrial District. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Jamison, Wise & Martin

Minden, Louisiana
June 12, 1997

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Directors
South Webster Parish Industrial District
Minden, Louisiana

We have audited the financial statements of the South Webster Parish Industrial District as of and for the year ended December 31, 1996, and have issued our report thereon dated August 2, 1997.

We have applied procedures to test the South Webster Parish Industrial District's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1996:

Political Activity	Civil Rights
Cash management	Federal financial reports
Allowable costs	Drug-free Workplace Act
Matching	Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on South Webster Parish Industrial District's compliance with the requirements listed in the preceding paragraph. Accordingly, we 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 second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any material instances of noncompliance with those requirements.

not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions that are also considered to be material weaknesses as defined above.

This report is intended for the information of the South Webster Parish Industrial District. However, this report is a matter of public record and its distribution is not limited.

Jamison, Wise & Martin

Minden, Louisiana
June 12, 1997

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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Internal Accounting Controls

Cash receipts	Cash disbursements
Purchasing	Receivables
Accounts Payable	Property and equipment

Internal Administrative Controls Used in Administering Federal Financial Assistance Programs

Political Activity	Civil Rights
Cash Management	Federal financial reports
Allowable costs	Drug-free Workplace Act
Matching	Administrative requirements

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

During the year ended December 31, 1996, the South Webster Parish Industrial District expended (100%) one hundred percent of its total federal financial assistance under the following nonmajor federal financial assistance program:

Industrial Development Grant - Revolving Fund Third Party Financial Assistance (Construction grant)

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the District's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope that would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and

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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Directors
South Webster Parish Industrial District
Minden, Louisiana

We have audited the general purpose financial statements of the South Webster Parish Industrial District, for the year ended December 31, 1996, and have issued our report thereon dated June 12, 1997.

We conducted our 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 A-128, "Audits of States and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audits for the year ended December 31, 1996, we considered the internal control structure of the South Webster Parish Industrial District, in order to determine our auditing procedures for the purpose of expressing our opinion on the South Webster Industrial District's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated June 12, 1997.

The management of the South Webster Parish Industrial District, 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,

SINGLE AUDIT SECTION

of the misstatements resulting from those failures or violations is material to the general purpose financial statements.

The State of Louisiana in LSA - Revised Statute 39:1305 requires that the proposed budget shall be completed and submitted to the Board of Commissioners for approval no later than fifteen days prior to the beginning of each fiscal year. The South Webster Industrial District's 1996 proposed budget was not submitted until February 14, 1996.

The State of Louisiana in LSA - Revised Statute 39:1304 requires that the adopted budget shall be balanced with approved expenditures not exceeding the total estimated funds available. The 1996 adopted budget of the District expenditures exceeded revenues and estimated funds available by $166,462.

The State of Louisiana Constitution Article 7, Section 8 requires that no state governmental unit or district has the authority to borrow money, incur debt, or to issue bonds without the consent of the State Bond Commission unless the debt incurred is less than ninety days. South Webster Industrial District incurred debt of $250,000 without state bond commission approval.

- The District incurred debt in the amount of $75,000 from Minden Bank & Trust Company, but the debt was fulfilled before the end of the fiscal year. Because the loan terms were for more than ninety days, the District was not in compliance with LSA - Revised Statute 39.1410.60.

- The District also incurred debt in the amount of $175,000 from Minden Bank & Trust and People's Bank & Trust jointly on a long-term basis; therefore, the District was in noncompliance with LSA - Revised Statute 39.1410.60.

We considered these instances of noncompliance in forming our opinion on whether the South Webster Parish Industrial District's 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated on those financial statements.

We noted certain immaterial instances of noncompliance that we have reported to the District's Board of Commissioners in a management letter dated June 12, 1997.

Notes payable at December 31, 1996, is comprised of the following:

$175,000 long-term note payable to Minden Bank & Trust Company and Peoples Bank & Trust Company co-jointly, "interest only" payments are due from 1997 to 1999 at 6%, voluntary principal payments may be made by the District during this period, but are not required. Beginning in the year 2000, monthly principal and interest payments will be required based on an agreed upon amortization period. The general fixed assets of the industrial park are pledged as collateral for the loan.

The annual requirements to amortize the debt outstanding as of December 31, 1996, including interest payments, are as follows:

Year Ending December 31	Principal	Interest	Total
1997	115,000	51,513	166,513
1998	125,000	41,313	166,313
1999	145,000	29,838	174,838
2000	330,000	17,088	347,088
Totals	$715,000	139,752	854,752

7. *Note Receivable from Tango Trucking* - In accordance with the terms of a Lease Agreement dated September 13, 1995, the District agreed to loan Tango Transport, Inc. $250,000 upon the start of construction of its corporate headquarters on 9.5 acres of land located within the District. On January 25, 1996, the District executed a loan agreement to loan Tango up to $250,000 at an annual interest rate of six (6%) percent for a period of ten years, payable in 120 monthly installments of $2,775.51 with the first payment being due on or before July 1, 1996. On March 28, 1996, the District sold the 9.85 acres of land to Tango for $985. The District currently holds a second mortgage on the 9.85 acres of land with improvements as security for the $250,000 note receivable. Minden Bank & Trust Company holds the first mortgage on the property as security for a $750,000 loan to Tango.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
Annual Financial Report
Year Ended December 31, 1996

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2. *Levied taxes*

A resolution by the District's Board of Commissioners to authorize a special ad valorem tax levy on all property subject to taxation in the Industrial District to 4.50 mills was adopted October 21, 1993. Said millage is rolled forward due to adjusted millage after reapprais-al/reassessment.

For the year ended December 31, 1996, taxes of $216,705 were levied on property with assessed valuations totaling $50,046,658. The amount receivable at December 31, 1996, was $216,705.

3. *Restricted assets - debt sinking fund*

Under the terms of the governing documents related to the General Obligation Bonds, dated March 1, 1990, the District is to place all proceeds received each year from its ad valorem tax into a debt sinking fund. These funds will be used to reduce the indebtedness associated with the General Obligation Bonds. Each year after the District has met its scheduled obligation to the debtors for that particular year, it is permitted to withdraw and redirect any remaining funds to other uses as deemed necessary by the Board of Commissioners.

Restricted assets balance at December 31, 1996:

Debt Sinking Fund	$216,705

4. *Cash and cash equivalents* - For reporting purposes, cash and cash equivalents include cash and demand deposits. At December 31, 1996, the District had cash and cash equivalents with a book balance of $20,460 and a bank balance of $20,460.

According to Statement No. 3 of the Governmental Accounting Standards Board, the amount of the total bank balance must be classified in three categories of risk defined as follows:

Category 1 -	Insured or collateralized with securities held by the entity or by its agent in the entity's name.
Category 2 -	Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

For the year ended December 31, 1996, the District adopted a combined budget (cash basis) for the general fund and debt service fund.

The revenues and expenditures, for the year ended December 31, 1996, as shown on page are reconciled with the amounts reflected on the budget comparsions on page as follows:

Year Ended 1996:	General Fund	Debt Service Fund
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)	$ (166,872)	10,449
To adjust for:		
Revenue accruals - net	23,989	(10,449)
Expenditures accruals - net	(294)	-
Principal received on notes receivable	9,268	-
Note receivable accrual	(250,000)	-
Excess (deficiency)of revenues and other sources over (under) expenditures and other uses (Cash Basis)	$ (383,909)	-

F. *Cash* - Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

G. *Total columns on combined statements* - Total columns on combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

D. *Basis of accounting* - The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The District uses the following practices in recording revenues and expenditures:

Revenues - Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Intergovernmental revenues are recorded when the District is entitled to the funds.

Interest income on deposits is recorded monthly when the interest is earned and credited to the account.

Expenditures - With the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except that the principal and interest on general long-term debt is recognized when due.

Other financing sources - Proceeds from the sale of long-term bonds are accounted for as an other financing source and are recognized when the underlying events occur.

E. *Budget practices* - The District adopts and controls budgets and the object level of expenditures. Appropriations lapse at year- end and must be reappropriated for the following year to be expended. All changes to the original budget must be approved by the Board of Commissioners.

and expenditures. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in funds because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The District's current operations require the use of only governmental funds. The governmental fund types used by the District are as follows:

General Fund - The General Fund is the principal fund and is used to account for the operations of the District. The District's primary source of revenue is an ad valorem tax. Other sources of revenue include interest on investments and grants. General operating expenditures are paid from this fund.

Debt Service Fund - The Debt Service Fund accounts for the retirement of bonds and related interest charges, the proceeds of which are for the encouragement of industrial enterprises through the operation of an industrial park. Financing is provided by a specific District-wide ad valorem tax and interest earnings.

C. *Fixed assets and long-term debt* - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group. All purchased general fixed assets are valued at cost. Donated fixed assets are valued at their estimated fair value on the date donated. No depreciation has been provided on general fixed assets. The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives is not capitalized. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings,including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are capitalized along with other general fixed assets.

Long-term debt, such as general obligation bonds, are recognized as a liability of a governmental fund only when due. The remaining portion of such debt is reported in the general long- term debt account group.

1. *Summary of significant accounting policies*

The South Webster Parish Industrial District was created as a political subdivision of the state, under the provisions of Act No. 393 of the 1980 regular session of the Louisiana Legislature. Its territorial limits and jurisdiction extend throughout Ward One 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, three of whom are appointed by the Cities of Minden and Dixie Inn, two of whom are appointed by the municipal ties of Sibley, Dubberly, Heflin and Doyline, one is appointed by the Webster Parish Police Jury and one is appointed by the Minden Economic Development Council. Each commissioner serves for a two-year term of office.

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.

The accounting and reporting practices of the South Webster Parish Industrial District conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants, and to the applicable Louisiana Revised Statutes.

The following is a summary of certain significant accounting policies:

A. *Reporting entity* - For financial reporting purposes, the South Webster Parish Industrial District includes all funds and account groups which are controlled by the District. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

B. *Fund accounting* - The District uses funds and account groups report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
Statement of Revenues and Expenditures
Budget (Cash Basis) and Actual
For the Year Ended December 31, 1996

	General Fund			Debt Service Fund		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
REVENUES:						
Ad valorem taxes	$ -	-	-	200,000	199,200	(800)
Grant revenue	-	79,124	79,124	-	-	-
Sale/Lease of Property	20,000	1,105	(18,895)	-	-	-
Interest	10,000	9,651	(349)	-	344	344
Miscellaneous	16,653	16,653	-	-	-	-
Total Revenues	46,653	106,533	59,880	200,000	199,544	(456)
EXPENDITURES:						
Current:						
General and administrative -						
Office management fees	25,000	25,000	-	-	-	-
Professional services	5,000	3,888	1,112	-	-	-
Postage	-	82	(82)	-	-	-
Insurance	9,900	8,232	1,668	-	-	-
Travel	3,000	243	2,757	-	-	-
Utilities	300	326	(26)	-	-	-
Miscellaneous	1,000	124	876	-	360	(360)
Capital outlay	367,921	420,110	(52,189)	-	-	-
Debt Service -						
Principal	-	75,000	(75,000)	105,000	105,000	-
Interest	-	1,258	(1,258)	50,363	50,363	-
Total Expenditures	412,121	534,263	(45,884)	155,363	155,723	(360)
		-				
Excess (deficiency) of revenues over expenditures	(365,468)	(427,730)	13,996	44,637	43,821	(816)
OTHER FINANCING SOURCES (USES):						
Operating transfers in (out)	44,637	43,821	(816)	(44,637)	(43,821)	(816)
Loan proceeds	-	250,000	250,000	-	-	-
Loan to Tango Trucking	(250,000)	(250,000)	-			
Total Other Sources	(205,363)	43,821	249,184	(44,637)	(43,821)	(816)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(570,831)	(383,909)	186,922	-	-	-
Fund Balance at beginning of year	404,369	404,369	-	-	-	-
Fund Balance at end of year	$ (166,462)	20,460	186,922	-	-	-

The accompanying notes are an integral part of these financial statements

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 1996

	GOVERNMENTAL FUNDS		Total (Memorandum Only)	
	General	Debt Service	1996	1995
REVENUES:				
Taxes	$ -	217,124	217,124	203,778
Interest	17,036	344	17,380	32,043
Sale of property	985	-	985	-
Federal grant proceeds	55,135	-	55,135	33,627
Miscellaneous	120	-	120	-
Total Revenues	73,276	217,468	290,744	269,448
EXPENDITURES:				
Current:				
General and administrative -				
Office management fees	25,000	-	25,000	20,000
Professional services	3,594	-	3,594	3,342
Postage	82	-	82	176
Insurance	8,232	-	8,232	175
Travel	243	-	243	2,033
Utilities	326	-	326	238
Bond issuance costs and fees	-	361	361	431
Miscellaneous	124	-	124	172
Tax assessor fees	-	7,475	7,475	7,365
Capital outlay	420,110	-	420,110	442,156
Debt Service:				
Principal	75,000	105,000	180,000	100,000
Interest	1,258	50,362	51,620	60,825
Total Expenditures	533,969	163,198	697,167	636,913
Excess (deficiency) of revenues over expenditures	(460,693)	54,270	(406,423)	(367,465)
OTHER FINANCING SOURCES:				
Loan Proceeds	250,000	-	250,000	-
Operating transfers in	43,821	-	43,821	32,917
Operating transfers out	-	(43,821)	(43,821)	(32,917)
Total Other Sources (Uses)	293,821	(43,821)	250,000	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(166,872)	10,449	(156,423)	(367,465)
Fund Balance at beginning of year	428,064	206,256	634,320	1,001,785
Fund Balance at end of year	$ 261,192	216,705	477,897	634,320

The accompanying notes are an integral part of these financial statements

SOUTH WEBSTER INDUSTRIAL DISTRICT
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1996

	Governmental Fund Types		Account Groups		Total (Memorandum Only)	
	General	Debt Service	General Fixed Assets	General Long-term Debt	1996	1995
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	$ -	-	-	-	-	294
General obligation bonds payable	-	-	-	540,000	540,000	645,000
Notes payable	-	-	-	175,000	175,000	-
Total liabilities	-	-	-	715,000	715,000	645,294
Fund Equity:						
Investment in general fixed assets	-	-	2,100,540	-	2,100,540	1,741,508
Fund Balances:						
Debt service	-	216,705	-	-	216,705	206,256
Unreserved	261,192	-	-	-	261,192	428,064
Total fund equity	261,192	216,705	2,100,540	-	2,578,437	2,375,828
Total Liabilities and Fund Equity	$ 261,192	216,705	2,100,540	715,000	3,293,437	3,021,122

The accompanying notes are an integral part of these finanical statements

GENERAL PURPOSE FINANCIAL STATEMENTS

This report is intended for the information of the District's Board of Commissioners and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Jamison, Wise & Martin

Minden, Louisiana
June 12, 1997

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
Annual Financial Report
Year Ended December 31, 1996

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8. *Members of the Board of Commissioners*

The following serve on the Bcard of Commissioners without compensation:

Marcus Wren	President
Rickey Killian	Vice-President
Sue Gruber	Secretary
Lloyd Beatty	Commissioner
Pam Bloxom	Commissioner
Paul Kitchens	Commissioner
George McInnis	Commissioner
James Smith	Commissioner