

In planning and performing our audit of the general purpose financial statements of the North Webster Parish Industrial District for the year ended June 30, 1997, 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 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 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 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.

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, White & Wharton

Minden, Louisiana
November 14, 1997

JAMESON, WISE & MARTIN

A PROFESSIONAL ACCOUNTING CORPORATION

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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**

To the Board of Commissioners
North Webster Parish Industrial District

We have audited the general purpose financial statements of the North Webster Parish Industrial District, as of and for the year ended June 30, 1991, and have issued our report thereon dated November 14, 1991.

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 North 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 general purpose 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 an 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.

November 14, 1987 on our consideration of the District's internal control structure and a report dated November 14, 1987 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the North Webster Parish Industrial District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Josephine White & Associates

Mitche, Louisiana
November 14, 1987

JAMESON, WIGG & MARTIN
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MEMBER
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MEMBER: MARTIN, J. R. 1989
MEMBER: WIGG, J. C. 1989
MEMBER: MARTIN, J. R. 1989

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MEMBER: MARTIN, J. R. 1989
MEMBER: WIGG, J. C. 1989
MEMBER: MARTIN, J. R. 1989

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
North Webster Parish Industrial District

We have audited the accompanying general purpose financial statements of the North Webster Parish Industrial District as of and for the year ended June 30, 1997, 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. These 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 North Webster Parish Industrial District as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund type 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

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
 Annual Financial Report
 Year Ended June 30, 1997

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NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 1967

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or reviewer, entity and other appropriate public officials. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 29 1968

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NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
 Schedule of General Fund Expenditures
 Year Ended June 30, 1997

With Comparative Amounts for the Year Ended June 30, 1996

	<u>1997</u>	<u>1996</u>
General and administrative:		
Salaries	\$ 13,295	13,269
Taxes	1,212	1,234
Insurance	11,888	16,873
Legal and accounting	5,803	5,228
Professional fees	13,800	15,000
Office	2,700	5,713
Ten Assessor Fees	8,913	7,066
Travel	633	1,768
Promotional	1,400	5,025
Telephone	2,025	2,472
Utilities	2,507	3,429
Deer	128	1,549
Printing	625	889
All other	<u>185</u>	<u>122</u>
Total general and administrative	68,522	82,187
Park expenditures:		
Maintenance	4,886	5,281
Cooperative Endeavor - airport	50,000	-
Capital outlay:		
Spec. #1 Building	48,789	32,667
Spec. #3 Paving project (CIP)	144,320	-
Spec. #3 Building modifications (CIP)	105,907	-
Spec. #4 Building	-	320,352
Spec. #5 Building (CIP)	518,090	89,910
Land	-	24,000
South Industrial Park road overlay	<u>-</u>	<u>12</u>
Total capital outlay	828,126	467,942
Total general fund expenditures	<u>\$ 912,514</u>	<u>\$55,510</u>

OTHER SUPPLEMENTARY INFORMATION

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
June 30, 1997

11. Change in Presentation of Comparative Statement

For the year ended June 30, 1997, \$861,337 of Construction in Progress is reported as a separate line item in the general purpose financial statements. In the previously issued financial statements for the year ended June 30, 1996, Construction in Progress in the amount of \$113,577 was included with Buildings in the financial statements, and was simply disclosed as Construction in Progress in the body of the notes to the financial statements. In the accompanying financial statements, Construction in Progress as of June 30, 1996, in the amount of \$113,577 is segregated from Buildings and is shown as a separate line item in the "Combined Balance Sheet - All Fund Types and Account Groups" to provide a better comparison.

For the year ended June 30, 1997, \$48,476 of Retainage Payable is reported as a separate line item in the general purpose financial statements. In the previously issued financial statements for the year ended June 30, 1996, Retainage Payable in the amount of \$4,809 was included with Accounts Payable in the financial statements. In the accompanying financial statements, Retainage Payable as of June 30, 1996, in the amount of \$4,809 is segregated from Accounts Payable and is shown as a separate line item in the "Combined Balance Sheet - All Fund Types and Account Groups" to provide a better comparison.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
June 30, 1997

8. Members of the Board of Commissioners

The Board of Commissioners of the North Webster Parish Industrial District meet each month. They do not receive any compensation. The following were members of the Board as of June 30, 1997:

Chairman	Ken Gray	Member	Bob Lars
Vice-Chairman	Barry Stark	Member	Charles Strong
Secretary	Dennis McMullan	Member	Ernest Sabin
Member	E. L. Edwards		

9. Cooperative Endorser Agreement

During the year ended June 30, 1997, the North Webster Parish Industrial District entered into a Cooperative Endorser Agreement with the City of Springhill. The North Webster Parish Industrial District agreed to provide \$50,000 to the City of Springhill to assist in the funding for the new airport runway.

10. Subsequent Events

On June 28, 1997, the North Webster Parish Industrial District (NWPID) entered into an Economic Development Infrastructure Agreement with the Louisiana Economic Development Corporation (LEDC) and the Trans Company. The agreement states that the NWPID would receive a \$250,000 grant to aid the costs to develop and expand Spec building #3, which is occupied by the Trans Company. The NWPID will repay the grant in full, plus two percent (2%) interest per annum, amortized over three and one half (3 1/2) years.

On August 5, 1997, the District received \$250,000 grant from LEDC. As of September 17, 1997, Act 326 of the 1997 Legislative Session transferred the administration of the Economic Development Infrastructure Agreement from LEDC to the Department of Economic Development, Office of the Secretary. Repayments of the grant are being made to the Department of Economic Development.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
June 30, 1997

The following lists the components of the net investment in direct financing leases as of June 30, 1997:

	1997
Total minimum lease payments to be received	\$ 22,039
Less: unearned income	(882)
Net investment in direct financing lease	\$ 21,157

The following is a schedule of future minimum lease payments to be received, as of June 30, 1997:

<u>June 30</u> 1998	<u>Balance</u> \$ 21,157
------------------------	-----------------------------

7. Interfund receivables, payables, and transfers

Individual fund interfund receivables and payables balances as June 30, 1997, and opening transfers in and out for the year ended June 30, 1997, were as follows:

	Interfund Receivables	Interfund Payables	Opening Transfers	
			In	Out
General Fund	\$ 55,000	-	246	-
Capital Projects Fund	-	55,000	-	-
Enterprise Fund	-	-	-	246
	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>246</u>	<u>246</u>

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
 June 30, 1997

4. Leases

The District leases two buildings to companies operating in the park with one building available but vacant. The primary terms of the leases range from two years to fifteen years with, in some cases, options to renew. In each lease, the District has granted an option, within the primary term of the lease, for the lessee to purchase said building. The following is the net investment in each building:

Building #1	\$ 152,354
Building #3	1,158,767
Building #4	822,548
Total	\$2,133,669

The following is a schedule of future minimum lease payments to be received, as of June 30, 1997:

Year Ended	Building #2	Building #4	Total
June 30			
1998	\$ 102,864	42,000	144,864
1999	-	42,000	42,000
2000	-	42,000	42,000
2001	-	48,000	48,000
2002	-	60,000	60,000
Thereafter	-----	580,000	580,000
Total minimum lease payments	\$ 102,864	\$14,000	\$20,864

Direct Financing Lease - The District entered into a direct financing lease agreement with Standard Manufacturing on May 5, 1993. The District will purchase up to \$95,000 of capital equipment to be used by Standard Manufacturing. Standard will lease the equipment over a five-year period commencing July 1, 1993, at the end of which, Standard will have the option to purchase the equipment for \$1.00.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
June 30, 1997

A summary of Enterprise Fund type property, plant and equipment follows:

The Water and Sewer Fund use the straight-line method of computing depreciation. All assets are depreciated from the month placed in service in the year of acquisition to the month discontinued from service in the year of disposition.

Description	Fiscal Beginning	Life	Cost	Current Year Depreciation	Accumulated Depreciation
Water & sewer lines	6-1-85	40 yrs.	\$ 285,615	7,140	188,908
Water plant	6-1-85	40 yrs.	115,750	3,893	43,961
Wastewater treatment plant	6-1-85	40 yrs.	249,483	6,231	81,551
Water tank	6-1-85	40 yrs.	265,871	6,740	94,954
Water well	6-1-88	40 yrs.	71,971	1,824	11,519
Capital improvements, waterline	4-1-93	10 yrs.	44,340	4,435	18,888
Water improvement	12-29-90	40 yrs.	241,354	3,016	5,880
Sewer improvement	10-16-95	10 yrs.	4,354	435	1,024
Sewer improvement	4-1-95	40 yrs.	122,888	3,074	3,837
Totals			\$1,459,862	28,723	373,632
			Cost	Accumulated Depreciation	
Changes during the year					
Balance, beginning of year			\$1,175,204	315,494	
Additions			180,711	-	
Depreciation			—	28,723	
Balance, end of year			\$1,355,915	344,217	

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
June 30, 1997

5. **Fixed assets**

A summary of changes in general fixed assets follows:

	Balance		Balance	
	July 1, 1995	Additions	Deletions	June 30, 1997
Land	\$ 271,461	-	8,554	262,907
Office building	83,285	-	-	83,285
Buildings	2,328,769	81,335	276,184	2,133,699
Park improvements	1,087,154	-	-	1,087,154
Park equipment	28,673	-	28,673	-
Furniture and fixtures	19,784	593	-	20,369
Construction in progress	113,527	828,125	81,325	860,327
Total	\$2,942,553	\$811,053	294,966	4,438,647

On April 21, 1997, the District sold Spec building #2 and lot to Electric Molding Services Company 598 Inc., for a total price of \$294,790 less credit for prior years lease payments of \$283,867, for net cash proceeds of \$10,923.

A summary of construction in progress is as follows:

	Balance		Balance	
	July 1, 1995	Additions	Completed Projects	June 30, 1997
Spec #1 Building	\$ 32,667	48,798	81,325	-
Spec #5 Building	80,910	530,180	-	611,099
Truss paving	-	144,128	-	144,128
Truss modifications	-	185,802	-	185,802
Total construction in progress	\$ 113,527	\$828,125	\$81,325	\$813,327

NORTH WHESTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
June 30, 1997

4. *Cash and cash equivalents* - At June 30, 1997, the District had cash and cash equivalents totaling \$782,500, as follows:

Petty cash	\$ 25
Demand deposits	152,429
Certificates of deposit	629,993
Total	782,500

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 fiduciary or custodial bank that is mutually acceptable to both parties.

Cash and cash equivalents at June 30, 1997, are secured as follows:

Bank balances	\$ 782,500
Federal deposit insurance	\$ 200,000
Pledged securities (uncollateralized)	1,214,500
Total	\$1,214,500

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement # 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.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
June 30, 1997

3. Ad Valorem taxes

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 St. Louis. 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.

A resolution by the District's Board of Commissioners to authorize a special tax levy on all property subject to taxation in the Industrial District to 5.70 mills was adopted October 13, 1996. Said millage is rolled forward due to adjusted millage after reappraisal/assessments.

For the year ended June 30, 1997, taxes of \$230,854 were levied on property with assessed valuations totaling \$40,600,317.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
June 30, 1997

acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

- M. *Interfund transactions* - Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

- N. *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. Interfund eliminations have not been made in the aggregation of this data.

2. Fund Deficits

For the year ended June 30, 1997, the Capital Projects Fund had a deficit of \$16,267 in unreserved fund balance. The deficit balance in the Capital Projects Fund is because the revenues and transfers in were not equal to the expenditures and transfers out. The District intends to recognize a residual equity transfer of the deficit balance through the General Fund when all transactions concerning the completion of the project are recognized.

No other funds reflect deficit balances as of June 30, 1997.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
June 30, 1997

- G. **Short-term interfund receivables and payables** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from funds or due to funds on the balance sheet. Short-term interfund loans are classified as interfund receivables and payables.
- H. **Bad debts** - All receivables are considered fully collectible and, therefore, no allowance for uncollectible amounts is provided. If amounts become uncollectible, they are charged to operations when that determination is made.
- I. **Fixed assets** - Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized in the general fixed asset account group. Public domain or infrastructures are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the fund. Depreciation of all depreciable fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method.

- J. **Prepaid items** - The District sometimes prepays some expenditures in order to secure some goods or services in a reliable manner. Insurance coverage was the only prepaid expenditure at June 30, 1997.
- K. **Compensated absences** - The District does not have a formal vacation and sick leave policy.
- L. **Fund equity**

Contributed capital - Contributed capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
 Notes to Financial Statements
 June 30, 1997

- 5) Appropriations lapse at the end of each fiscal year.
- 6) The Board of Commissioners may authorize supplemental appropriations during the year.

The revenues and expenditures, for the year ended June 30, 1997, as shown on Exhibit B, are reconciled with the amounts reflected on the budget comparison on Exhibit C as follows:

	<u>General Fund</u>
Year ended June 30, 1997:	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses (GAAP Basis)	\$(478,383)
To adjust for:	
(Increase) Decrease in receivables	253,504
(Increase) Decrease in prepaid assets	784
Increase (Decrease) in unearned revenue	8,479
Increase (Decrease) in payables	155,517
Excess (deficiency) of revenues and other financing sources over expenditures and other uses (Cash Basis)	\$ (80,103)

- F. **Cash and cash equivalents** - Cash includes amounts in demand deposits and certificates of deposit. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under the laws of the State of Louisiana or national banks having their principal offices in Louisiana.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
June 30, 1997

interest on general long-term debt is recognized when due.

Other financing sources represent transfers between funds that are not expected to be repaid (or other types such as capital lease transactions and debt refinements). These other financing sources are recognized at the time the underlying events occur.

All proprietary funds are accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when incurred.

E. Budgets and budgetary accounting - The District follows these procedures in establishing the budgetary data reflected in these financial statements:

- 1) The administrative assistant prepares a proposed budget and submits same to the Board of Commissioners. It is published in the official journal and presented for public inspection prior to June 1.
- 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. For the year ended June 30, 1997, the budget was amended in accordance with Louisiana Revised Statutes.
- 4) The budgets for the general fund is adopted on a cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP).

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
June 30, 1987

- C. Fund accounting - The accounts of the North Webster Parish Industrial District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

Governmental Funds:

Governmental funds account for most of the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. The governmental funds used by the District for the year ended June 30, 1987, included:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - The Capital Projects Fund accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Proprietary Funds:

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
June 30, 1977

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 1976 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 Calien, Sarcopt, Shergalon 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 power and duties to incur debt and issue bonds to encourage industrial enterprises through the operation of an industrial park.

I. Summary of Significant Accounting Policies

- A. **Basis of presentation** - The accounting and reporting practices of the North 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.
- B. **Reporting entity** - For financial reporting purposes, in conformance with GASB Statement No. 14, the North 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 upon the District. Control or dependence is determined on the basis of budget adoption, taxing authority, authority to incur debt, election or appointment of governing body, and other general oversight responsibility.

NORTH WHESTER PARKS INDUSTRIAL DISTRICT
Statement of Cash Flows -
Enterprise Fund -
Year Ended June 30, 1997

	Water & Sewer	(thousands Only) 1996
Cash flows from operating activities:		
Cash received from customers	\$ 18,192	14,433
Cash payments to suppliers for goods and services	(112,446)	(28,897)
Cash payments to employees for services Net cash provided (used) by operating activities	<u>(94,254)</u>	<u>(14,464)</u>
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	(148)	1,674
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	\$ (15,865)	(20,000)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation	38,118	38,718
Decrease (increase) in accounts receivable	506	(299)
(Decrease) increase in accounts payable	(2,807)	1,815
(Decrease) increase in payroll taxes payable	-	(26)
	<u>35,317</u>	<u>39,909</u>
Net cash provided (used) by operating activities	<u>\$ 252</u>	<u>(1,091)</u>

Schedule of Noncash Investing, Capital, and Financing Activities

During the year, the Enterprise Fund applied \$250,711 of water improvements that were contributed through the Capital Projects Fund. The water improvement project activity was initially accounted for in the Capital Projects Fund. The project was funded through a grant from DOWD and awarded from the General Fund. At completion of the water project, the capital asset was recognized in the Enterprise Fund with the related increase in contributed capital.

The accompanying notes are an integral part of this statement.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT
 Condensed Statement of Revenues, Expenses and Changes in
 Retained Earnings - Waterworks Fund
 Year Ended June 30, 1993

	Water & Sewer	(Amortization Only) 1993
Operating revenues:		
Water and sewer income	\$ 18,491	24,758
Operating expenses:		
Depreciation	36,125	59,741
Salaries	7,280	7,280
Materials	6,378	11,794
Utilities	588	-
Telephone	28	342
Materials and supplies	364	800
Towing and Fees - Sewer treatment	373	567
Payroll taxes	1,340	3,283
Repairs	688	936
Sales tax	81,028	89,738
Total operating expenses	(81,028)	(89,980)
Loss before operating transfers	(62,537)	(65,222)
Operating transfers out	(2,881)	5,678
Net loss	(65,418)	(59,544)
Depreciation on fixed assets acquired by contribution	36,125	59,741
Income placed in Retained Earnings	2,844	(1,577)
Retained earnings at beginning of year	46,684	48,819
Retained earnings at end of year	\$ 28,311	\$ 46,484

The accompanying notes are an integral part of this statement.

NORTH WHESTER PARISH INDUSTRIAL DISTRICT
Compared Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Cash Basis) and Actual - General Fund
Year Ended June 30, 1997

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes - all salaries	\$ 203,000	249,844	46,844
Rental income	193,100	171,612	(21,488)
Interest income	25,000	45,809	20,809
Oil and gas royalty income	23,000	11,614	(11,386)
Grant money	-	15,000	15,000
Miscellaneous	300	0	(300)
Total revenues	<u>444,400</u>	<u>503,275</u>	<u>58,875</u>
Expenditures:			
Current:			
General and administrative	66,114	68,170	(2,056)
Public infrastructure	3,000	4,323	1,323
Cooperative activities - airport	-	80,000	(80,000)
Capital outlay	878,186	673,140	205,046
Total expenditures	<u>947,300</u>	<u>795,633</u>	<u>151,667</u>
Excess (deficiency) of revenues over expenditures:	(499,714)	(290,857)	208,857
Other financing sources (uses):			
Operating transfers in	(2,000)	-	2,000
Operating transfers in	-	281,873	281,873
Sale of capital assets	-	30,533	30,533
Total other financing sources - used	<u>(2,000)</u>	<u>312,406</u>	<u>314,406</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses:	(499,714)	(98,451)	401,263
Fund balances at beginning of year	<u>815,801</u>	<u>805,900</u>	<u>9,901</u>
Fund balances at end of year	<u>\$ 316,087</u>	<u>707,449</u>	<u>408,638</u>

The accompanying notes are an integral part of this statement.

NORTH WESTON PARISH INDUSTRIAL DISTRICT
Continued Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Fund Types
Year Ended June 30, 1997

	General Fund	Capital Projects Fund	Totals	
			(All Governmental Funds)	
			1997	1996
Revenues:				
Taxes - ad valorem	\$ 308,694	-	290,654	294,298
Rental income	143,154	-	34,364	270,864
Interest income	33,289	1,896	37,115	46,719
Oil and gas royalty income	21,489	-	20,488	22,743
Grant money	13,800	45,937	68,925	318,070
Miscellaneous	6	-	6	340
Total revenues	<u>460,332</u>	<u>47,833</u>	<u>511,587</u>	<u>783,694</u>
Expenditures:				
Current:				
General and administrative	68,503	-	68,510	92,997
Park maintenance	4,886	-	4,888	5,281
Cooperative orderlies - airport	50,880	-	50,880	-
Capital outlay	<u>877,116</u>	<u>76,971</u>	<u>988,095</u>	<u>803,111</u>
Total expenditures	<u>997,385</u>	<u>76,971</u>	<u>1,089,587</u>	<u>888,379</u>
Excess (deficiency) of revenues over expenditures	(488,053)	18,818	(478,342)	(888,209)
Other financing sources (uses):				
Sale of capital assets	10,023	-	18,303	-
Operating transfers in	346	-	346	(3,276)
Total other financing sources (uses):	<u>10,369</u>	<u>-</u>	<u>18,649</u>	<u>(3,276)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(477,684)	18,818	(467,975)	(891,485)
Fund balances at beginning of year	<u>1,887,321</u>	<u>(27,887)</u>	<u>1,889,025</u>	<u>3,148,918</u>
Fund balances at end of year	<u>\$ 1,409,637</u>	<u>18,818</u>	<u>1,428,455</u>	<u>2,257,433</u>

The accompanying notes are an integral part of this statement.

STATE UNIVERSITY MAINTENANCE CONTRACT
 Conditioned Release Bond - All Fund Types and Account Group
 June 30, 1997

Liabilities	Governmental Fund Type		Proprietary Fund Type	Amount Encumbered		Totals (Governmental Only)
	Capital Projects	Enterprise		Fund	Month	
Accounts payable	\$ 178,876	-	764	-	179,640	88,847
Accounts payable	48,478	-	-	-	48,478	4,028
Payroll taxes payable	488	-	149	-	637	118
Due to general fund	-	55,000	-	-	55,000	155,817
Vendor money deposits	-	882	882	-	1,764	882
Unassigned (disputed) amounts	882	-	-	-	882	2,762
Recovered taxes income	18,471	-	-	-	18,471	-
Total liabilities	246,715	55,882	1,795	1,712	306,104	303,844
Fund equity	6,000	-	1,084,116	-	1,090,116	1,203,498
Contributions applied	-	-	-	4,418,471	4,418,471	1,042,211
Amounts to general	-	-	-	-	-	-
Fund assets	-	-	-	-	-	-
Revised earnings received	-	-	43,216	-	43,216	44,894
Fund balances	-	-	-	-	-	-
Unassigned -	588,778	(114,281)	(1,014,721)	-	(439,224)	1,088,952
Unexpended	282,222	(38,287)	(1,014,721)	-	(770,786)	1,077,618
Total fund equity	871,000	(152,568)	1,084,116	4,418,471	6,365,155	6,374,364

The accompanying notes are an integral part of this statement.

GENERAL PURPOSE FINANCIAL STATEMENTS

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.

Very truly yours,

Jonathan, William J. Martin

Jonathan, William J. Martin
November 14, 1997

JAMIESON, WISE & MARTIN

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MANAGEMENT LETTER

To the Board of Commissioners
North Webster Parish Industrial District

We have audited the financial statements of the North Webster Parish Industrial District for the year ended June 30, 1997, and have issued our report thereon dated November 14, 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. As a supplement to the reports, we submit for your consideration pertaining to the following observation which did not meet the criteria of being material to the general purpose financial statements.

Compliance considered non-material to general purpose financial statements.

1. Local Government Budget Laws

During our audit, we reviewed the budget process of the District. LSA-RS 39:1310 concerns budgetary control. The District is required to amend the budget in accordance with R.S.39:1310 whenever there is a variance of 5% (five percent) or more between actual and remaining projections as compared to budget amounts for revenues, expenditures or beginning fund balance. During our audit, we noted a 5% (five percent) variance between budget and actual amounts for both rental income revenues and Cooperative Indenture - airport expenditures. For good internal control over expenditures and compliance with the state budget laws we recommended the town periodically, no less than quarterly, review the actual revenues, expenditures and beginning fund balances with the original approved budget amounts and make necessary formal budget amendments.

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.

Townson, White & Martin

Minster, Louisiana
November 14, 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**

To the Board of Commissioners
North Webster Parish Industrial District

We have audited the general purpose financial statements of the North Webster Parish Industrial District as of and for the year ended June 30, 1997, and have issued our report thereon dated November 14, 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 North 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

We noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated November 14, 1997.