

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

The Corporation had no payroll expense in 1996.

Other

Because the Corporation was not granted not-for-profit status by the Internal Revenue Service until January of 1997, the Corporation continues to comply with reporting requirements of the Legislative Auditor's office for 1996 until December of 1997.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Cade's Ward II Industrial Development Corporation and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed in the procedures and taken responsibility for the sufficiency of the procedures for their purpose. However, this report is a matter of public record and its distribution is not limited.

Certified Public Accountants

October 26, 1997

Budgeting

3. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and the amended budget.

4. Track the budget adoption and amendments to the minute book.

We issued the discussion of the budget to the minutes of a meeting held on February 1, 1996. However, we did not note formal approval of a budget in the minutes.

5. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Budgeted revenues exceeded actual revenues by more than 5% due to an expected payment from the Chamber of Commerce not being realized.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All payments were properly coded.

- (c) determine whether payments received approval from proper authority.

Inspection of documentation supporting each of the six selected disbursements indicated proper approvals.

Receipts

9. Examine evidence indicating that receipts for receipts received in the minute book were posted or substantiated as required by I.S.A. 85-420 through 420J (the open receipts law).

Management has asserted that documents were properly posted and substantiated.

Bank

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like instruments.

We inspected all bank statements for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like instruments.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLICING AGREED-UPON PROCEDURES**

Members of the Board of Commissioners
Cade Ward II Industrial Development Corporation
Vicks, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and summarized below, which were agreed to by the management of the Cade Ward II Industrial Development Corporation and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Cade Ward II Industrial Development Corporation's compliance with certain laws and regulations during the year ended December 31, 1996, included in the accompanying Louisiana Affidavit Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-LSM 111-2051 (the public bid law).

Management has asserted that the Corporation is in compliance with the public bid law.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

The Corporation had no payroll expense in 1996.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The Corporation had no payroll expense in 1996.

CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION

Notes to Financial Statements
December 31, 1996

1. Summary of Significant Accounting Policies (Continued)

1. Total Columns of Combined Statements - Disclosure

Total columns on the combined statements are captioned "nonconsolidated only" to indicate that they are prepared only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. Fixed Assets

Fixed assets consist solely of land and land improvements, and are stated at historical cost. No depreciation has been provided on general land assets.

3. Revenue Recognition - Intergovernmental Revenue and Economic Dependency

Intergovernmental revenues consist of payments to the Corporation of its statutory set aside of alcohol beverage taxes. The payments are limited when received. The Corporation is dependent on the bonding loss as its only potential source of revenue. Accordingly, any situation that adversely affected the percentage of revenues located in Caddo Parish would adversely affect the Corporation. The Board is not aware of any situation that would drastically change the amount of revenue to be received in the next calendar year.

4. Cash in Bank

At December 31, 1996, cash consisted of checking deposits. The deposits are stated at cost, which approximates their market value. Under state law, the deposits must be limited by either federal deposit insurance or the pledge of securities owned by the lending agent bank. At year end, the Corporation's cash was stated as follows:

Federal deposit insurance	\$	100,000
Secured by securities held by the bank of its agent (Category 2)		<u>8,433</u>
Total deposits per bank	\$	<u>108,433</u>

5. Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

6. Income Tax Status

The Corporation is exempt from federal income taxation under Section 501 (c)(3) of the Internal Revenue Code.

7. Judgments, Claims, and Contingencies

There is no litigation pending against the Corporation as December 31, 1996.

CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION

Notes to Financial Statements
December 31, 1996

I. Summary of Significant Accounting Policies

A. Reporting Entity

In 1978, LSA, R.S. 29:021.1 created a political subdivision named "The Caddo Parish Industrial District", the boundaries of which extend throughout Ward II of Caddo Parish. In 1983, the Caddo Ward II Industrial Development Corporation (the Corporation) was formed as the entity responsible for all taxing business in the aforementioned industrial district. LSA, R.S. 29:05 allowed a percentage of bonding fees from refinements located in Caddo Parish to the Corporation. Accordingly, the Corporation must comply with regulations and procedures usually associated with governmental entities.

The Corporation is not a component unit of another primary government nor does it have any component units which are related to it. Therefore, the Corporation has prepared its financial statements as a separate special-purpose government.

The primary function of the Corporation is to attract business to the Caddo Parish Industrial District. In its attempt to do so, its activities include the physical improvement of land and infrastructure in an effort to make the District more desirable for new business ventures.

B. Fund Accounting

The accounts of the Corporation are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The Corporation has five funds (the General Fund) and one account group (the General Fund Asset Account Group).

General Fund - The General Fund is the operating fund of the Corporation. It is used to account for all financial resources.

General Fund Assets Account Group - The fixed assets (capital outlay) fund is the General Fund as accounted for separately in this account group as they are recorded as expenditures in the General Fund.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its management focus. Circumstantial Funds, which would include the Corporation's General Fund, are accounted for using a current financial resources measurement focus. Accordingly, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present revenues (increases and other financing sources) and decreases (expenditures and other uses) in net current assets.

Circumstantial funds are maintained on the modified accrual basis of accounting whereby revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

D. Budget Policy

The Board of Directors of the Corporation adopts an annual budget, and periodically compares actual results with the adopted budget as a management control device.

CAIRCO BOARD OF INDUSTRIAL DEVELOPMENT CORPORATION

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP) Basis and Actual - General Fund
For the Year Ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Encumbrances	\$ 150,000	\$ 150,000	\$ 0,000
Other	15,000	0	(15,000)
	<u>165,000</u>	<u>150,000</u>	<u>(15,000)</u>
EXPENDITURES			
Capital outlay	500,000	500,000	(500)
Professional fees	4,400	2,319	2,081
Supplies	500	345	155
Marketing	10,000	0	10,000
Other	3,500	0	3,500
Total expenditures	<u>518,400</u>	<u>502,664</u>	<u>15,736</u>
Excess of Revenues over Expenditures	<u>(144,200)</u>	<u>(152,664)</u>	<u>800</u>
FUND BALANCES			
Fund balance, beginning of year	<u>251,600</u>	<u>251,600</u>	0
Fund balance, end of year	<u>\$ 107,400</u>	<u>\$ 108,936</u>	<u>\$ 1,536</u>

CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
December 31, 1999

	<u>General Fund</u>
REVENUES	
Intergovernmental	\$ 180,000
EXPENDITURES	
Legal fees	1,000
Supplies	200
Capital expenditures	300,000
Total expenditures	301,200
(Excess) of Revenues over Expenditures	(121,200)
FUND BALANCES	
Fund balance, beginning of year	352,000
Fund balance, end of year	<u>\$ 230,800</u>

CALICO WARD II INDUSTRIAL DEVELOPMENT CORPORATION

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1996

	Fund Types- General Fund	Account Groups- General Fund Asset Account Group	Total (Miscellaneous Doll)
ASSETS			
Cash	\$ 189,403	\$	\$ 189,403
Fund assets	_____	_____ 356,836	_____ 356,836
Total Assets	\$ 189,403	\$ 356,836	\$ 546,239
FUND EQUITY			
Unreserved fund balance	\$ 309,435	\$	\$ 309,435
Investment in general fund assets	_____	_____ 356,836	_____ 356,836
Total Fund Equity	\$ 309,435	\$ 356,836	\$ 666,271



SMITH PUGH RABOINITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors
Cable Ward II Industrial Development
Corporation
Vevian, Louisiana

We have compiled the accompanying general purpose financial statements of Cable Ward II Industrial Development Corporation (a nonprofit corporation) as of December 31, 1995, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Smith Pugh Raboinitz L.L.P.
Certified Public Accountants

October 24, 1997

CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION

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CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION

Vidalia, Louisiana

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FINANCIAL STATEMENTS

December 31, 1988

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or approved, entity and other appropriate public officials. The 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 - ~~FOU-1-1-888~~