

24

RECEIVED
LEGISLATIVE AUDITOR
98 JUL -6 AM 10:01

OFFICIAL
FILE COPY
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK In FILE)

98901029
9845

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
ANNUAL FINANCIAL REPORT
DECEMBER 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 AUG 12 1998

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
Annual Financial Report
Year Ended December 31, 1997

TABLE OF CONTENTS

	<u>Page</u>
ACCOUNTANTS' COMPILATION REPORT	1
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	2-5
LOUISIANA ATTESTATION QUESTIONNAIRE	6-7
GENERAL PURPOSE FINANCIAL STATEMENTS:	
<i>Combined Balance Sheet - All Fund Types and Account Groups</i>	8-9
<i>Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types</i>	10
<i>Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Cash Basis) and Actual - General Fund</i>	11
NOTES TO FINANCIAL STATEMENTS	12-19
SUMMARY OF PRIOR YEAR FINDINGS	20-21
CORRECTIVE ACTION PLAN	22

JAMIESON, WISE & MARTIN

A PROFESSIONAL ACCOUNTING CORPORATION

601 MAIN STREET P. O. BOX 897
MINDEN, LOUISIANA 71058-0897
(318) 377-3171
FAX (318) 377-3177

MICHAEL W. WISE, C.P.A.
CARLOS E. MARTIN, C.P.A.
DAVID W. TINSLEY, C.P.A.
KRISTINE J. HARPER, C.P.A.

WM. PEARCE JAMIESON, C.P.A. (1991)
MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANTS' COMPILATION REPORT

To the Board of Commissioners
South Webster Parish Industrial District
Minden, Louisiana

We have compiled the general purpose financial statements of the South Webster Parish Industrial District, a component unit of the Webster Parish Police Jury, as of and for the year ended December 31, 1997, 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 and schedules, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and schedules and, accordingly, we do not express an opinion or any other form of assurance on them.

Jamieson, Wise & Martin

Minden, Louisiana
June 18, 1998

JAMIESON, WISE & MARTIN

A PROFESSIONAL ACCOUNTING CORPORATION

601 MAIN STREET P. O. BOX 897
MINDEN, LOUISIANA 71058-0897
(318) 377-3171
FAX (318) 377-3177

MICHAEL W. WISE, C.P.A.
CARLOS E. MARTIN, C.P.A.
DAVID W. TINSLEY, C.P.A.
KRISTINE J. HARPER, C.P.A.

WM. PEARCE JAMIESON, C.P.A. (1891)
MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
South Webster Parish Industrial District
Minden, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the South Webster Parish Industrial District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the South Webster Parish Industrial District's compliance with certain laws and regulations for the year ended December 31, 1997 included in the accompanying Louisiana Attestation 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 materials and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2233.2 (the public bid law).

For the year ended December 31, 1997, no expenditures were made for materials, supplies, or public works that were in violation of 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 commissioner as defined by LSA-RS 42-1101-1124 (the code of ethics), and a list of outside business interests of all commissioners and employees, as well as their immediate families.

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

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

There were no employees paid during the periods under examination.

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.

This agreed-upon procedure is not applicable since there were no employees paid during the periods under examination.

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original 1997 budget. There were no amendments made to the 1997 budget.

6. Traced the budget adoption to the minute book.

We traced the adoption of the original budget for the year ended December 31, 1997 of the minutes of meetings held on January 19, 1997, which indicated that the budget had been adopted by the commissioners of the South Webster Parish Industrial District.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for 1997 exceeded the budgeted amounts, and there were individual line items that exceeded 5%.

GENERAL FUND:

	<u>1997</u>
<u>Revenues:</u>	
Interest	14.45%
<u>Expenses:</u>	
Professional services	6.66%
Travel and recruitment	13.42%
Utilities	9.01%
Miscellaneous	42.24%

DEBT SERVICE FUND:

<u>Revenues:</u>	
Interest	99.99%
<u>Expenses:</u>	
Miscellaneous	99.99%

Accounting and Reporting

8. Randomly select six disbursements made during the periods 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 the proper amount and made to the correct payee.

(b) Determine if payments were properly coded to the correct fund and general ledger account.

Of the six selected disbursements, all of the payments were properly coded to the correct fund and general ledger account.

(c) Determine whether payments received approval from proper authorities

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Board of Commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

In reviewing the minutes, we found evidence of that the South Webster Parish Industrial District complied with the open meetings law. There were agendas for each meeting during the year ended December 31, 1997 in the minute book.

Debt

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

We inspected copies of all bank deposit slips for the periods under examination and noted no deposits for the year ended December 31, 1997, which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

A reading of the minutes of the district for the periods under examination indicated no approval for the payments noted.

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 the South Webster Parish Industrial District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Jawson, Wise & Martin

Minden, Louisiana
June 18, 1998

APPENDIX F. LOUISIANA ATTESTATION QUESTIONNAIRE

May 15, 1998 Date

Jamieson, Wise & Martin, APAC
Attn: Mike Wise
PO Box 897
Minden LA 71058-0897 (Auditors)

In connection with your compilation of our financial statements as of December 31, 1997 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 31, 1997 (date).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [X] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [X] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [X] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes [X] No []

Accounting and Reporting

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:38.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u>[Signature]</u>	Secretary	<u>6-25-98</u>	Date
<u>[Signature]</u>	Treasurer	<u>6-25-98</u>	Date
<u>Marcus Wren</u>	President	<u>6/25/98</u>	Date

Marcus Wren

Note-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.

SOUTH WEBSTER INDUSTRIAL DISTRICT
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1997

	Governmental Fund Types			Account Groups			Total (Memorandum Only)
	General	Debt Service	-	General	Fixed	General	
				Assets	Long-term	Debt	
ASSETS							
Cash	\$ 45,309	-	-	-	-	-	45,309 20,460
Notes receivable	221,341	-	-	-	-	-	221,341 240,732
Restricted assets:							
Taxes receivable	-	230,931	-	-	-	-	230,931 216,705
Land	-	-	579,278	-	-	-	579,278 579,278
Land improvements	-	-	1,079,477	-	-	-	1,079,477 1,078,042
Buildings	-	-	439,030	-	-	-	439,030 439,030
Equipment	-	-	4,190	-	-	-	4,190 4,190
Amount available for payment of principal and interest	-	-	-	-	230,931	-	230,931 216,705
Amount to be provided for payment of principal and interest	-	-	-	-	369,069	-	369,069 498,295
Total Assets	\$ 266,650	230,931	2,101,975	600,000	3,199,556	3,293,437	

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, 1997

	Governmental Fund Types		Account Groups			Total	
	General	Debt Service	General	Fixed	General	1997	1996
			Assets	Long-term	Debt		
LIABILITIES AND FUND EQUITY							
Liabilities:							
General obligation bonds payable	\$ -	-	-	425,000	-	425,000	540,000
Notes payable	-	-	-	175,000	-	175,000	175,000
Total liabilities	-	-	-	600,000	-	600,000	715,000
Fund Equity:							
Investment in general fixed assets	-	-	2,101,975	-	-	2,101,975	2,100,540
Fund Balances:							
Debt service	-	230,931	-	-	-	230,931	216,705
Unreserved	266,650	-	-	-	-	266,650	261,192
Total fund equity	266,650	230,931	2,101,975	-	-	2,599,556	2,578,437
Total Liabilities and Fund Equity	\$ 266,650	230,931	2,101,975	600,000	-	3,199,556	3,293,437

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, 1997

	GOVERNMENTAL FUNDS		Total (Memorandum Only)	
	General	Debt Service	1997	1996
REVENUES:				
Taxes	\$ -	228,821	228,821	217,124
Interest	16,204	357	16,561	17,380
Sale of property	-	-	-	985
Federal grant proceeds	-	-	-	55,135
Miscellaneous	10	-	10	120
Total Revenues	<u>16,214</u>	<u>229,178</u>	<u>245,392</u>	<u>290,744</u>
EXPENDITURES:				
Current:				
General and administrative -				
Office management fees	25,000	-	25,000	25,000
Professional services	3,946	-	3,946	3,594
Postage	-	-	-	82
Insurance	8,351	-	8,351	8,232
Travel	1,472	-	1,472	243
Utilities	182	-	182	326
Advertising and promotion	5,000	-	5,000	-
Bond issuance costs and fees	-	350	350	361
Miscellaneous	125	-	125	124
Tax assessor fees	-	7,703	7,703	7,475
Capital outlay	1,435	-	1,435	420,110
Debt Service:				
Principal	-	115,000	115,000	180,000
Interest	16,131	41,013	57,144	51,620
Total Expenditures	<u>61,642</u>	<u>164,066</u>	<u>225,708</u>	<u>697,167</u>
Excess (deficiency) of revenues over expenditures	<u>(45,428)</u>	<u>65,112</u>	<u>19,684</u>	<u>(406,423)</u>
OTHER FINANCING SOURCES:				
Loan Proceeds	-	-	-	250,000
Operating transfers in	50,886	-	50,886	43,821
Operating transfers out	-	(50,886)	(50,886)	(43,821)
Total Other Sources (Uses)	<u>50,886</u>	<u>(50,886)</u>	<u>-</u>	<u>250,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	5,458	14,226	19,684	(156,423)
Fund Balance at beginning of year	<u>261,192</u>	<u>216,705</u>	<u>477,897</u>	<u>634,320</u>
Fund Balance at end of year	<u>\$ 266,650</u>	<u>230,931</u>	<u>497,581</u>	<u>477,897</u>

The accompanying notes are an integral part of these financial statements.

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	\$ -	-	-	207,000	206,892	(108)
Lease of property	10	10	-	-	-	-
Interest	2,000	2,289	289	-	357	357
Miscellaneous	33,306	33,323	17	-	-	-
Total Revenues	<u>35,316</u>	<u>35,622</u>	<u>306</u>	<u>207,000</u>	<u>207,249</u>	<u>249</u>
EXPENDITURES:						
Current:						
General and administrative •						
Office management fees	25,000	25,000	-	-	-	-
Professional services	3,700	3,946	(246)	-	-	-
Advertising and promotion	5,000	5,000	-	-	-	-
Insurance	8,400	8,351	49	-	-	-
Travel	1,700	1,472	228	-	-	-
Utilities	200	182	18	-	-	-
Miscellaneous	100	142	(42)	-	350	(350)
Capital outlay	1,500	1,435	65	-	-	-
Debt Service -						
Principal	-	-	-	115,000	115,000	-
Interest	16,700	16,131	569	41,013	41,013	-
Total Expenditures	<u>62,300</u>	<u>61,659</u>	<u>641</u>	<u>156,013</u>	<u>156,363</u>	<u>(350)</u>
Excess (deficiency) of revenues over expenditures	<u>(26,984)</u>	<u>(26,037)</u>	<u>947</u>	<u>50,987</u>	<u>50,886</u>	<u>(101)</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in (out)	50,987	50,886	(101)	(50,987)	(50,886)	(101)
Total Other Sources	<u>50,987</u>	<u>50,886</u>	<u>(101)</u>	<u>(50,987)</u>	<u>(50,886)</u>	<u>(101)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	24,003	24,849	846	-	-	-
Fund Balance at beginning of year	20,460	20,460	-	-	-	-
Fund Balance at end of year	<u>\$ 44,463</u>	<u>45,309</u>	<u>846</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
December 31, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS

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 municipalities 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
Notes to Financial Statements
December 31, 1997

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.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
December 31, 1997

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.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
December 31, 1997

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.

For the year ended December 31, 1997, 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, 1997, as shown on page are reconciled with the amounts reflected on the budget comparisons on page as follows:

Year Ended 1997:	<u>General Fund</u>	<u>Debt Service Fund</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)	\$ 5,458	14,226
To adjust for:		
Revenue accruals - net	-	(14,226)
Principal received on notes receivable	<u>19,391</u>	<u>-</u>
Excess (deficiency)of revenues and other sources over (under) expenditures and other uses (Cash Basis)	<u>\$ 24,849</u>	<u>-</u>

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.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
December 31, 1997

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 4.33 mills was adopted October 28, 1996. Said millage is rolled forward due to adjusted millage after reappraisal/reassessment.

For the year ended December 31, 1997, taxes of \$230,931 were levied on property with assessed valuations totaling \$53,332,046. The receivable amount at December 31, 1997, was \$230,931.

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, 1997:

Debt Sinking Fund	<u>\$230,931</u>
-------------------	------------------

4. Cash and cash equivalents - For reporting purposes, cash and cash equivalents include cash and demand deposits. At December 31, 1997, the District had cash and cash equivalents with a book balance of \$45,309 and a bank balance of \$45,309.

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.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
December 31, 1997

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 \$45,309 is classified as Category 1.

5. Changes in general fixed assets

A summary of changes in general fixed assets follows:

	Balance <u>12-31-96</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12-31-97</u>
Land	\$ 579,278	-	-	579,278
Land Improvements	1,078,042	1,435	-	1,079,477
Buildings	439,030	-	-	439,030
Park Equipment	4,190	-	-	4,190
Construction in progress	-	-	-	-
Total	<u>\$2,100,540</u>	<u>1,435</u>	<u>-</u>	<u>2,101,975</u>

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, 1997:

	<u>Bonds Payable</u>	<u>Notes Payable</u>	<u>Total</u>
Long-term obligations payable at 12-31-96	\$ 540,000	175,000	715,000
Additions	-	-	-
Reductions	<u>(115,000)</u>	<u>-</u>	<u>(115,000)</u>
Long-term obligations payable at 12-31-97	<u>\$ 425,000</u>	<u>175,000</u>	<u>600,000</u>

Bonds payable at December 31, 1997, 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.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
Notes to Financial Statements
December 31, 1997

Notes payable at December 31, 1997, 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, 1997, including interest payments, are as follows:

Year Ending <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998	125,000	41,313	166,313
1999	145,000	29,838	174,838
2000	155,000	17,088	172,088
2001	<u>175,000</u>	<u>10,500</u>	<u>185,500</u>
Totals	<u>\$600,000</u>	<u>98,739</u>	<u>698,739</u>

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
Notes to Financial Statements
December 31, 1997

8. Members of the Board of Commissioners

The following serve on the Board 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

SOUTH WEBSTER INDUSTRIAL DISTRICT
Minden, Louisiana

Summary of Prior Year Findings
As of and for the year ended December 31, 1997

In the audit report issued for the year ended December 31, 1996, there were four (4) findings noted that were reported.

1. BUDGET ADOPTION PROCEDURES

The State of Louisiana in Revised State 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 recommended that the District change its budget adoption procedures to insure that the budgets for the General Fund and Debt Service Fund be completed in a timely manner according to Louisiana budget laws.

This finding has not been resolved. The District's 1997 budget was adopted on January 29, 1997, in violation of Louisiana budget laws as noted in our Corrective Action Plan.

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 ensuing fiscal year. We advised the District to adhere to Louisiana budget laws in adopted balanced budgets.

This finding has been resolved, the District adopted a balanced budget for the fiscal year ending December 31, 1997.

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 District borrowed funds totaling \$250,000 from local banks during 1996. We recommended that the District take all necessary steps to obtain approval of the State Bond Commission before incurring debt.

This finding has been resolved. The District has cleared the finding with the State Bond Commission, and no additional debt was incurred by the District during the year ended December 31, 1997.

4. LOANS FOR ECONOMIC DEVELOPMENT

During the fiscal year 1996, the District loaned \$250,000 to a business to relocate and construct its corporate headquarters within the Industrial Park. We recommended that the District establish a written policy for the purpose of economic development in compliance with Louisiana laws and regulations

This finding has been cleared by the District's decision to consult in future instances 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.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT
Minden, Louisiana

Corrective Action Plan
As of and for the year ended December 31, 1997

The following details management's response to the findings noted as a result of performing agreed upon procedures on management's representations contained in the Louisiana Attestation Questionnaire:

FINDING: 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. The District's 1997 budget was approved and adopted by the Board on January 29, 1997. 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.

Management's response:


Management intends to fully comply with Louisiana's budget adoption requirements. The District's 1998 budget was submitted to the Board for approval on August 21, 1997 and adopted by the Board on October 15, 1997.

FINDING: Budgeting

Actual revenues and expenditures exceeded budgeted amounts by more than 5%.

Management's response:

Management intends to monitor revenues and expenditures more closely in order to make necessary amendments to the budget for unfavorable variances noted, as required by LSA-RS 39:1310.

Signature: 

Date: June 30, 1998