

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 7/20/11

**SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Financial Statements**

As of and for the Year Ended December 31, 2010  
With Supplemental Information Schedules

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# 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, CPA Email [mike@jwmcpa.biz](mailto:mike@jwmcpa.biz)  
CARLOS E. MARTIN, CPA Email [carlos@jwmcpa.biz](mailto:carlos@jwmcpa.biz)  
KRISTINE H. COLE, CPA Email [Kristine@jwmcpa.biz](mailto:Kristine@jwmcpa.biz)

JENNIFER C. SMITH, CPA Email [jennifer@jwmcpa.biz](mailto:jennifer@jwmcpa.biz)  
KRISTIE K. MARTIN, CPA Email [kristie@jwmcpa.biz](mailto:kristie@jwmcpa.biz)

WM. PEARCE JAMIESON, CPA (1991)

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## ACCOUNTANTS' COMPILATION REPORT

To the Board of Commissioners of the  
South Webster Parish Industrial District

We have compiled the accompanying financial statements of the governmental activities and the major fund of the South Webster Parish Industrial District, as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the South Webster Parish Industrial District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the South Webster Parish Industrial District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has not presented management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

The budgetary comparison information on page 16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United

States of America. The Other Supplementary Information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

We are not independent in respect to South Webster Parish Industrial District.

*Jameson Wise & Martin*

Minden, LA  
June 30, 2011

**FINANCIAL STATEMENTS**

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Minden, Louisiana

Statement of Net Assets  
December 31, 2010

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 164,302
Investments	103,702
Receivables	23,000
Capital assets (net)	<u>1,314,941</u>
Total assets	<u>1,605,945</u>
<b>LIABILITIES</b>	
Accounts payable	<u>2,720</u>
Total liabilities	<u>2,720</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,314,941
Unrestricted	<u>288,284</u>
Total net assets	<u><u>\$ 1,603,225</u></u>

The accompanying notes are an integral part of this statement.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Minden, Louisiana

Statement of Activities  
For the Year Ended December 31, 2010

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental activities:</u>
		<u>Charges for services</u>	<u>Capital grants and contributions</u>	<u>Net (expenses)/ revenue</u>
<b>Governmental activities:</b>				
General government	\$ (144,059)	\$ 18,640	\$ 47,440	\$ (77,979)
 General revenues:				
				3,197
				9,180
				<u>12,377</u>
				(65,602)
				<u>1,668,827</u>
				<u>\$ 1,603,225</u>

The accompanying notes are an integral part of this statement.

**SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
Minden, Louisiana

Balance Sheet - Governmental Fund  
December 31, 2010

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 164,302
Investments	<u>103,702</u>
 Total assets	 <u>\$ 268,004</u>
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 2,720
Total liabilities	<u>2,720</u>
 Fund balance:	
Unreserved	<u>265,284</u>
Total fund balance	<u>265,284</u>
 Total liabilities and fund balance	 <u>\$ 268,004</u>

The accompanying notes are an integral part of this statement.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
MINDEN, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet  
to the Government-Wide Financial Statement of Net Assets

December 31, 2010

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$ 265,284
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds (A)	1,314,941
Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds	<u>23,000</u>
Net Assets of Governmental Activities (Statement A)	<u>\$ 1,603,225</u>

The accompanying notes are an integral part of this statement.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Minden, Louisiana

Governmental Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2010

	<u>General Fund</u>
<b>Revenues:</b>	
Lease revenue	\$ 18,640
Miscellaneous Income	47,440
Investment earnings	<u>3,197</u>
Total revenues	<u>69,277</u>
<b>Expenditures:</b>	
Office management fees	45,224
Professional services	7,345
Insurance	918
Utilities	230
Miscellaneous	900
Lease Expense	16,000
Park development	7,725
Capital Outlay	<u>174,560</u>
Total expenditures	<u>252,902</u>
Excess (deficiency) of revenues over expenditures	(183,625)
<b>Special item:</b>	
Proceeds from sale of land	<u>30,180</u>
Net change in fund balance	(153,445)
Fund balance, beginning of year	<u>418,729</u>
Fund balance, end of year	<u>\$ 265,284</u>

The accompanying notes are an integral part of this statement.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
MINDEN, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund to the  
Statement of Activities

For the Year Ended December 31, 2010

Net change in fund balances - total governmental funds (Statement E)      \$    (153,445)

Amounts reported for government activities in the  
statement of activities are different because:

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities, the cost of those assets is  
allocated over their estimated useful lives as depreciation expense.  
This is the amount by which depreciation exceeded capital outlays  
in the current period.

87,843

Change in net assets of governmental activities (Statement B)      \$    (65,602)

The accompanying notes are an integral part of this statement.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 2010

**INTRODUCTION**

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.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the South Webster Parish Industrial District financials include all funds that 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.

**1. Summary of Significant Accounting Policies**

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the South Webster Parish Industrial District (district). Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 2010

or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. The major individual governmental fund, which is the general fund, is reported in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accompanying financial statements of the district have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Lease revenues are recognized as revenues in the year for which they are earned. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Although most expenditures are recorded when a liability is incurred, as under accrual accounting, the measurement focus of a governmental fund significantly affects what items are to be considered expenditures in the governmental fund. Expenditures, and the related liabilities, are accrued when they are expected to be paid out of revenues recognized during the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest income on deposits is recorded monthly when the interest is earned and credited to the account. Lease revenues associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

The district reports the following major governmental fund:

The General Fund is the district's primary operating fund. It accounts for all financial resources, of the general government, except those required to be accounted for in another fund.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 2010

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government as elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available to use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. 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.

The revenues and expenditures, for the year ended December 31, 2010, as shown on page 8 is reconciled with the amounts reflected on the budget comparisons on page 16 as follows:

Year Ended 2010:	<u>General Fund</u>
Excess of revenues over expenditures (GAAP Basis)	\$ 153,445
To adjust for:	
Deferred revenues	2,000
Accounts payable (net)	<u>2,172</u>
Excess of revenues and over expenditures (Cash Basis)	\$ <u>157,617</u>

**D. Encumbrances**

The district does not use encumbrance accounting.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 2010

**E. Cash and cash equivalents**

Cash includes amounts in interest-bearing demand deposits. Under state law, the District may deposit funds with 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.

**F. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The South Webster Parish Industrial District maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Infrastructure assets	25 years
Land improvements	20-30 years
Buildings	25-40 years
Equipment	5-10 years

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 2010

2. Cash and cash equivalents

At December 31, 2010, the district has cash and cash equivalents (book balance) totaling \$164,302 as follows:

Demand deposits	\$ 17,761
Interest-bearing demand deposits	<u>146,541</u>
Total cash and cash equivalents:	\$ <u>164,302</u>

These deposits are stated at costs, which approximates market. Under state law, these deposits 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 equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2010, the district has \$167,052 in collected bank balances. These deposits are secured from risk by \$167,052 of federal deposit insurance.

3. Investments

At December 31, 2010, the District had investments totaling \$103,702 in Certificates of Deposit. The investments are considered Category 3 in applying the credit risk of GASB Codification Section 150.125. The fair value of these investments is equal to their carrying amount at amortized cost. The Certificate of Deposit is fully secured from risk by federal deposit insurance.

4. Jointly Governed Organizations

South Webster Parish Industrial District (district) entered into an agreement with Minden/South Webster Chamber of Commerce (chamber), City of Minden (city), and the South Webster Economic Development and Commerce Foundation, Inc. (foundation) whereby the district, chamber and city will each be responsible for providing one-third of the funds necessary to cover the agreed upon annual budget of the foundation. The foundation will conduct economic development and commerce services as the contracted agent for the district, chamber and city.

The initial agreement is effective on May, 2009 and will run for an initial two-year period. At the conclusion of the initial period, the agreement will be determined to be renewed automatically for an additional year as long as the agreement is in effect.

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 2010

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2010 is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increase</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
<b>Governmental Activities:</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 442,401	21,000	(21,000)	\$ 442,401
Construction in progress	<u>25,449</u>	<u>          </u>	<u>(25,449)</u>	<u>          </u>
Total capital assets, not being depreciated	<u>467,850</u>	<u>21,000</u>	<u>(46,449)</u>	<u>442,401</u>
<b>Capital assets being depreciated</b>				
Land Improvements/infrastructure	1,128,387	179,010	-	1,307,397
Buildings	439,030	-	-	439,030
Park Equipment	<u>6,003</u>	<u>          </u>	<u>          </u>	<u>6,003</u>
Total capital assets, not being depreciated	<u>1,573,420</u>	<u>179,010</u>	<u>          </u>	<u>1,752,430</u>
<b>Less accumulated depreciation for:</b>				
Land Improvements/infrastructure	665,028	54,584	-	719,612
Buildings	143,600	10,976	-	154,576
Park Equipment	<u>5,544</u>	<u>158</u>	<u>          </u>	<u>5,702</u>
Total accumulated depreciation	<u>814,172</u>	<u>65,718</u>	<u>          </u>	<u>879,890</u>
Total capital assets being depreciated, net	\$ <u>759,248</u>	<u>113,292</u>	<u>          </u>	\$ <u>872,540</u>

Depreciation expenses for the year ended December 31, 2010 was \$65,718.

## SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT

Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget (Cash Basis) and Actual  
General Fund

For the Year Ended December 31, 2010

	Budgeted amounts		Actual amount Cash basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Lease revenue	\$ 2,640	\$ 16,640	\$ 16,640	\$ -
Investment earnings	1,000	3,029	3,197	168
Total revenues	<u>3,640</u>	<u>19,669</u>	<u>19,837</u>	<u>168</u>
<b>EXPENDITURES</b>				
General and administrative				
Office management fees	47,596	47,596	45,221	2,375
Professional services	2,000	13,914	4,750	9,164
Park Development	750	750	7,725	(6,975)
Insurance	1,500	918	918	-
Utilities	200	229	230	(1)
Office Rent	-	16,000	16,000	-
Miscellaneous	500	128	900	(772)
Capital outlay	-	27,850	131,890	(104,040)
Total expenditures	<u>52,546</u>	<u>107,385</u>	<u>207,634</u>	<u>(100,249)</u>
Excess (deficiency) of revenues over expenditures	(48,906)	(87,716)	(187,797)	(100,081)
<b>SPECIAL ITEM</b>				
Proceeds from sale of land	-	30,180	30,180	-
Net change in fund balance	(48,906)	(57,536)	(157,617)	(100,081)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>425,621</u>	<u>425,621</u>	<u>425,621</u>	<u>-</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 376,715</u>	<u>\$ 368,085</u>	<u>\$ 268,004</u>	<u>\$ (100,081)</u>

The accompanying notes are an integral part of this statement.

**SUPPLEMENTAL INFORMATION SCHEDULES**

SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Schedule of Compensation Paid Board Members  
For the Year Ended December 31, 2010

The following serve on the Board of Commissioners without compensation:

Ty Pendergrass	Chairman
Pat Lindsey-Price	Commissioner
Ricky Killian	Commissioner
Hunt Powell	Commissioner
James Smith	Commissioner
Henry Bridges	Commissioner
G. Kent Gibson	Commissioner

**SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Summary Schedule of Prior Year Findings  
For the Year Ended December 31, 2010**

There were no items required to be reported.

**SOUTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Corrective Action Plan for Current Year Findings  
For the Year Ended December 31, 2010**

There were no items required to be reported.