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**CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION**

Vivian, Louisiana

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**FINANCIAL STATEMENTS**

December 31, 1998

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Release Date AUG 04 1998

Smith Pugh Rabinowitz L.L.P.  
Certified Public Accountants  
Shreveport, Louisiana 71101-5332

**CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION**

Vivian, Louisiana

**FINANCIAL STATEMENTS**

December 31, 1998

# CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION

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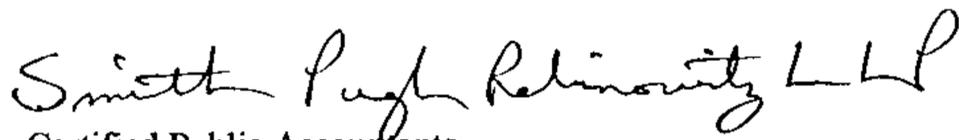
SMITH PUGH RABINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors  
Caddo Ward II Industrial Development  
Corporation  
Vivian, Louisiana

We have compiled the accompanying general purpose financial statements of Caddo Ward II Industrial Development Corporation (a nonprofit corporation) as of December 31, 1998, 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.

  
Certified Public Accountants

June 10, 1999

## CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION

Combined Balance Sheet - All Fund Types and Account Groups  
December 31, 1998

	<u>Governmental Fund Types General Fund</u>	<u>Account Groups- General Fixed Asset Account Group</u>	<u>Total (Memorandum Only)</u>	
			1998	1997
<b>ASSETS</b>				
Cash	\$ 107,436	\$ -	\$ 107,436	\$ 10,146
Certificates of deposit	109,201	-	109,201	254,583
Fixed assets	-	621,276	621,276	361,356
Total Assets	\$ 216,637	\$ 621,276	\$ 837,913	\$ 626,085
<b>FUND EQUITY</b>				
Unreserved fund balance	\$ 216,637	\$ -	\$ 216,637	\$ 264,729
Investment in general fixed assets	-	621,276	621,276	361,356
Total Fund Equity	\$ 216,637	\$ 621,276	\$ 837,913	\$ 626,085

**CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION**

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -  
All Governmental Fund Types  
December 31, 1998

	<u>General Fund</u>	
	<u>1998</u>	<u>1997</u>
<b>REVENUES</b>		
Intergovernmental	\$ 211,094	\$ 173,671
Interest	<u>9,535</u>	<u>4,583</u>
Total revenues	<u>220,629</u>	<u>178,254</u>
<b>EXPENDITURES</b>		
Professional fees	6,371	4,195
Legal publications	225	475
Civic associations	2,000	13,462
Miscellaneous	205	306
Capital expenditures	<u>259,920</u>	<u>4,520</u>
Total expenditures	<u>268,721</u>	<u>22,958</u>
Excess of Revenues over Expenditures (Expenditures over Revenue)	(48,092)	155,296
<b>FUND BALANCES</b>		
Fund balance, beginning of year	<u>264,729</u>	<u>109,433</u>
Fund balance, end of year	<u><u>\$ 216,637</u></u>	<u><u>\$ 264,729</u></u>

## CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget (Cash) Basis and Actual - General Fund  
For the Years Ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Intergovernmental	\$ 210,000	\$ 211,094	\$ 1,094
Interest	<u>9,500</u>	<u>9,535</u>	<u>35</u>
Total revenues	<u>219,500</u>	<u>220,629</u>	<u>1,129</u>
<b>EXPENDITURES</b>			
Capital outlays	260,000	259,920	80
Professional fees	6,300	6,371	(71)
Supplies	200	205	(5)
Marketing	2,000	2,000	-
Legal publications	<u>225</u>	<u>225</u>	<u>-</u>
Total expenditures	268,725	268,721	4
(Excess) of Expenditures over Revenues	(49,225)	(48,092)	1,133
<b>FUND BALANCES</b>			
Fund balance, beginning of year	<u>264,729</u>	<u>264,729</u>	<u>-</u>
Fund balance, end of year	<u>\$ 215,504</u>	<u>\$ 216,637</u>	<u>\$ 1,133</u>

# CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION

Notes to Financial Statements  
December 31, 1998

## 1. Summary of Significant Accounting Policies

### A. Reporting Entity

In 1978, LSA-R.S. 39:551.4 created a political subdivision named "The Caddo Parish Industrial District", the boundaries of which extend throughout Ward II of Caddo Parish. In 1995, the Caddo Ward II Industrial Development Corporation (the Corporation) was formed as the entity responsible for attracting business to the aforementioned industrial district. LSA-R.S. 27:93 allocated a percentage of boarding fees from river boats located in Caddo Parish to the Corporation. Accordingly, the Corporation must comply with regulations and procedures normally 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 presented 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 general 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 only has one fund (the General Fund) and one account group (the General Fixed 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 Fixed Assets Account Group - The fixed assets (capital outlays) used in the General Fund are accounted for (capitalized) 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 measurement focus. Governmental 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 increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting wherein 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 cash basis budget, and periodically compares actual results with the adopted budget as a management control device. The budget for 1998 was amended in accordance with Louisiana statutes.

# CADDO WARD II INDUSTRIAL DEVELOPMENT CORPORATION

Notes to Financial Statements  
December 31, 1998

## 1. Summary of Significant Accounting Policies (Continued)

### E. Total Columns of Combined Statements - Overview

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to help with 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.

### F. Fixed Assets

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

## 2. Revenue Recognition - Intergovernmental Revenues and Economic Dependency

Intergovernmental revenues consists of payments to the Corporation of its statutorily set share of river boat boarding fees. The payments are booked when received. The Corporation is dependent on the boarding fees as its only guaranteed source of revenue. Accordingly, any situation that adversely affected the patronage of river boats 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.

## 3. Cash in Bank

At December 31, 1998, cash consisted of checking deposits. The deposits are stated at cost, which approximates their market value. Under state law, the deposits must be insured by either federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At year end, the Corporation's cash was secured as follows:

Federal deposit insurance	\$ 154,621
Secured by securities held by the bank or its agent (Category 1)	<u>62,016</u>
Total deposits per bank	<u>\$ 216,637</u>

## 4. Board of Directors' Compensation

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

## 5. Income Tax Status

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

## 6. Judgements, Claims, and Contingencies

There is no litigation pending against the Corporation at December 31, 1998.



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

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**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Members of the Board of Commissioners  
Caddo Ward II Industrial Development Corporation  
Vivian, 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 Caddo Ward II Industrial Development Corporation and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Caddo Ward II Industrial Development Corporation's compliance with certain laws and regulations during the year ended December 31, 1998, 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 material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures described above were noted.

*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 1998.

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 1998.

### *Budgeting*

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

Management provided us with a copy of the amended budget.

6. Trace the budget adoption and amendments to the minute book.

We noted that the amended budget was approved in the minutes.

7. 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, noting no variances greater than 5%.

### *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 authorities.

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

### *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).

Management has asserted that documents were properly posted and advertised. We also noted expenditures for legal publication were made.

### *Debt*

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 indebtedness.

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 indebtedness.

*Advances and Bonuses*

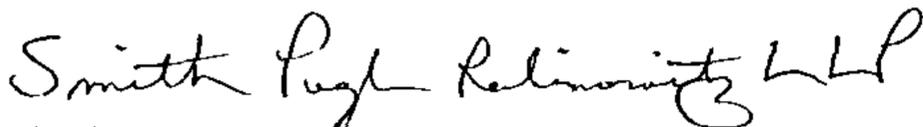
11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

The Corporation had no payroll expense in 1998.

Our prior year report, dated June 23, 1998, did not include any comments or unresolved matters.

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 Caddo Ward II Industrial Development Corporation 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.

  
Certified Public Accountants

June 10, 1999

**LOUISIANA ATTESTATION QUESTIONNAIRE**

June 16, 1999

Smith Pugh Rabinowitz LLP  
610 Marshall St, Suite 800  
Shreveport, LA 71101

In connection with your compilation of our financial statements as of [date] and for the year 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, 1998, (completion/representations).

**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 [] 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 [] 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 [] 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 39:34.

Yes [] No [ ]

**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 44:36.

Yes [X] No [ ]

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

Yes [ X] No [ ]

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

Yes [ X] No [ ]

**Meetings**

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

Yes [ X] 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 39:1410.60-1410.65.

Yes [X] No [ ]

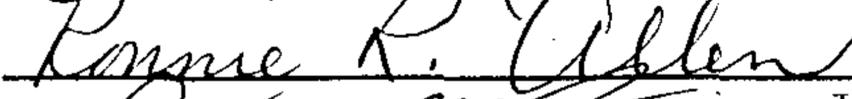
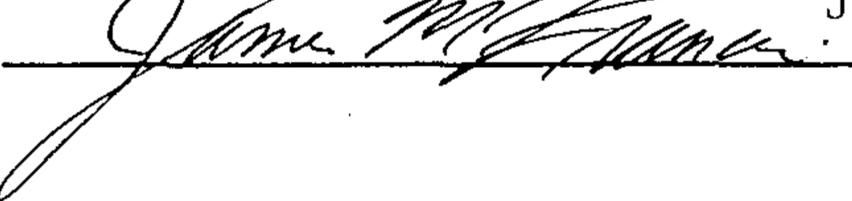
**Advances and Bonuses**

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 [X] 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.

	Ronald E. Hall	6/21/99	Date
	Secretary		
	Ronnie R. Allen	6/25/99	Date
	Treasurer		
	James M. Francis	6-24-99	Date
	President		