

**NORTH WEBSTER PARISH  
INDUSTRIAL DISTRICT  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2025**

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Annual Financial Report  
As of and for the Year Ended June 30, 2025

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Annual Financial Report  
As of and for the Year Ended June 30, 2025

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of the  
North Webster Parish Industrial District  
Springhill, Louisiana

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of North Webster Parish Industrial District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of June 30, 2025, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to going

concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-11 and 35-36 be presented to supplement the basic financial statements. Such information is the responsibility of

management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Webster Parish Industrial District's basic financial statements. The schedule of compensation paid to board members, schedule of general fund expenditures, and the schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation paid to board members, schedule of general fund expenditures, and the schedule of compensation, benefits and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### ***Other Reporting Required by Government Auditing Standards***

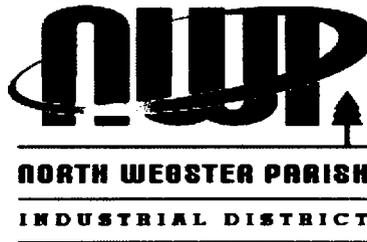
In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Wise Martin & Cole LLC*

Minden, Louisiana  
December 26, 2025

**REQUIRED SUPPLEMENTAL INFORMATION**

**(PART I)**



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis (MD&A) of the North Webster Parish Industrial District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the financial statements and the financial statements to enhance their understanding of the North Webster Parish Industrial District's financial performance.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 13 and 14) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 15. For governmental activities, fund statements tell how activities were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

### **Reporting the District as a Whole – Government-Wide Financial Statements (GWFS)**

#### **The Statement of Net Position and the Statement of Activities**

Our analysis of the District as a whole begins on page 13. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets, liabilities and deferred outflows/inflows, using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. One could think of net position—the difference between assets, liabilities and deferred outflows/inflows, as a measure of the District's financial health, or financial position. Over time, increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating.

One also needs to consider nonfinancial factors, however, such as changes in the District's property tax base and the occupancy and expansion of the industrial park, to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- Governmental activities – Most of the District’s basic services are reported here, which includes general administration and park maintenance. Property taxes, building leases, and state grants finance most of these activities.
- Business-type activities – The District charges a fee to its tenants to help it cover the water and sewer services it provides. The District’s water and sewer system activities are reported here.

### **Fund financial statements**

Fund financial statements provide detailed information regarding the District’s most significant activities and are not intended to provide information for the District as a whole. Funds are accounting devices that are used to account for specific sources of funds. The District’s two kinds of funds – *governmental and proprietary* – use different accounting approaches.

- *Governmental funds* – The District’s report includes one governmental fund, the General fund. The primary operations are reported in the General fund which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The fund is reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation following the fund financial statements.
- *Proprietary funds* – When the District charges its tenants for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District’s Enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**THE DISTRICT AS A WHOLE**

For the year ended June 30, 2025, net position changed as follows:

**Table 1  
Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	Current and other assets	\$ 3,464,404	\$ 3,379,550	\$ 13,123	\$ 11,873	\$ 3,477,527
Capital assets	16,944,602	17,544,203	951,362	987,669	17,895,964	18,531,872
Total assets	<u>20,409,006</u>	<u>20,923,753</u>	<u>964,485</u>	<u>999,542</u>	<u>21,373,491</u>	<u>21,923,295</u>
Long-term liabilities	4,368	3,809	-	-	4,368	3,809
Other liabilities	4,744	6,274	234	30,270	4,978	36,544
Total liabilities	<u>9,112</u>	<u>10,083</u>	<u>234</u>	<u>30,270</u>	<u>9,346</u>	<u>40,353</u>
Deferred inflows of resources	119,112	202,998	-	-	119,112	202,998
Total deferred inflows of resources	<u>119,112</u>	<u>202,998</u>	<u>-</u>	<u>-</u>	<u>119,112</u>	<u>202,998</u>
Net position						
Net investment in capital assets	16,944,602	17,544,203	951,362	987,669	17,895,964	18,531,872
Unrestricted	3,336,180	3,166,469	12,889	(18,397)	3,349,069	3,148,072
Total net position	\$ <u>20,280,782</u>	\$ <u>20,710,672</u>	\$ <u>964,251</u>	\$ <u>969,272</u>	\$ <u>21,245,033</u>	\$ <u>21,679,944</u>

As mentioned earlier, net position may serve over time as a useful indicator of a government’s financial position. As of June 30, 2025, the District’s assets exceeded liabilities by \$20,280,782 and \$964,251 in the governmental and business type activities, respectively.

The largest portion of the District’s net position (84%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide infrastructure and buildings to tenants operating within the industrial park. These assets are not available for future spending, unless sold.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation, debt covenants, or other legal requirements – is \$3,336,180 in the governmental activities as of June 30, 2025. The business-type activities report \$12,889 as unrestricted net position.

**Table 2**  
**Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues						
Program revenues						
Charges for services	\$ 100,694	\$ 222,493	\$ 59,102	\$ 75,403	\$ 159,796	\$ 297,896
General revenues:						
Property taxes	564,600	543,742	-	-	564,600	543,742
Investment earnings	93,856	85,890	-	-	93,856	85,890
Insurance recovery	-	7,632	-	-	-	7,632
Total revenues	<u>759,150</u>	<u>859,757</u>	<u>59,102</u>	<u>75,403</u>	<u>818,252</u>	<u>935,160</u>
Program expenses						
General government	1,144,458	991,124	-	-	1,144,458	991,124
Water and sewer	-	-	108,705	132,420	108,705	132,420
Total expenses	<u>1,144,458</u>	<u>991,124</u>	<u>108,705</u>	<u>132,420</u>	<u>1,253,163</u>	<u>1,123,544</u>
Excess (deficiency) before transfers	(385,308)	(131,367)	(49,603)	(57,017)	(434,911)	(188,384)
Transfers	<u>(44,582)</u>	<u>(12,872)</u>	<u>44,582</u>	<u>12,872</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(429,890)</u>	<u>(144,239)</u>	<u>(5,021)</u>	<u>(44,145)</u>	<u>(434,911)</u>	<u>(188,384)</u>
Net position – beginning	<u>20,710,672</u>	<u>20,854,911</u>	<u>969,272</u>	<u>1,013,417</u>	<u>21,679,944</u>	<u>21,868,328</u>
Net position – ending	<u>\$ 20,280,782</u>	<u>\$ 20,710,672</u>	<u>\$ 964,251</u>	<u>\$ 969,272</u>	<u>\$ 21,245,033</u>	<u>\$ 21,679,944</u>

***Governmental-type activities***

The net position of the governmental-type activities decreased by \$429,890.

When comparing the current and prior year revenues of the District’s governmental activities, there was a decrease of \$100,607. The decrease is due to amounts owed by a former tenant for the current year, which reduced rental income by approximately \$120,000. During the year, the annual assessed value of property in the park increased by 10,364,758 while the millage rate decreased from 5.1 to 4.98 resulting in an additional \$20,858 in property tax revenues. The investment of available funds in interest bearing certificates has generated \$7,966 more in interest income.

Total governmental expenses were higher than last year after the District incurred costs to clean, repair, and insure a building vacated by an evicted tenant. In the previous year, the District recognized an estimated bad debt expense related to its assessment of the collectability of back rent from a tenant who had defaulted on their rental agreement. This year’s estimate resulted in an additional \$30,000 being recorded as bad debt expense. Although a payment plan had been established to recover the outstanding balance, the tenant subsequently stopped making payments. Because of the uncertainty surrounding future collections, an allowance for doubtful accounts of \$221,250 was recognized against the tenant’s receivable.

***Business-type activities***

Overall, the revenues recognized in the Water and Sewer fund for the District were lower than the prior year. Water and sewer income decreased by approximately \$16,300 due to a decrease in tenants and tenant usage.

The expenses for the Water and Sewer fund were lower than prior year by \$23,715. In the prior year, there were higher expenses due to repairs to a well that was damaged by lightning.

**THE DISTRICT'S FUNDS**

The focus of the District's governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful for assessing the District's financing requirements. Unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year. As the District completed the year, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$3,243,526, reflecting an increase of \$125,882 from the prior fiscal year balance of \$3,117,644.

Revenues increased by approximately \$18,600. Ad valorem revenues increased by \$20,858 due to an increase in this year's assessed property values in the park. Compared to last year, the General fund expenditures increased by approximately \$418,295 largely related to clean up and repairs to building after tenant left.

The District's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year ended June 30, 2025, the District made one amendment to its budget. The original revenues were decreased by approximately \$73,000. Budget amendments to revenues were made to reflect changes to revenues including a \$43,500 increase in investment income, a \$161,500 net decrease in rental income, and a \$45,000 increase in ad valorem taxes. Projected expenditures were amended to reflect a increase in repairs, clean up, insurance, and utilities on vacated building of \$347,600.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of June 30, 2025, the District had approximately \$17.8 million invested in capital assets including buildings, park facilities, and the water and sewer system.

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 500,575	\$ 500,575	\$ -	\$ -	\$ 500,575	\$ 500,575
Land improvements	459,073	475,867	-	-	459,073	475,867
Building improvements	15,983,409	16,565,288	-	-	15,983,409	16,565,288
Improvements other than bldg.	-	-	951,362	987,669	951,362	987,669
Equipment	1,545	2,473	-	-	1,545	2,473
Totals (net of depreciation)	<u>\$ 16,944,602</u>	<u>\$ 17,544,203</u>	<u>\$ 951,362</u>	<u>\$ 987,669</u>	<u>\$ 17,895,964</u>	<u>\$ 18,531,872</u>

The District did not place any capital assets in service during June 30, 2025.

## **DEBT**

The North Webster Parish Industrial District incurred no new debt as of June 30, 2025.

More detailed information about the District's long-term liabilities is presented in Note 12 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The North Webster Parish Industrial District ("NWPID") adopted the millage rate of 4.98 mills on May 19, 2025. Millage is permitted for a period of ten years and generates income of approximately \$564,599. This will be the seventh year for the renewal that was adopted in 2019. The income generated is used to maintain NWPID infrastructure and the general operating expenses of NWPID. Rental income and investments income continue to be stable. This income is the majority balance of the income in which NWPID operates.

NWPID renewed the annual lease with Teijin for the Spec Building #4 effective September 1, 2025. The lease currently has an option for an additional year. The spec building lease will generate \$64,800 in revenue. The Spec Building #4 requires an additional 10 full-time employees on payroll. Teijin signed a 15-year building lease effective January 1, 2022, and Teijin will pay rent in the amount of \$12,000 annually if they have a minimum of 175 full time employees on payroll.

NWPID signed a building lease with E.I. Williams, a Canadian company, on February 10, 2020. The lease is for the newly constructed 50,000 square-foot manufacturing building for twenty-five (25) years at \$1.00 per year with the commencement date effective 2.1.21. The company has committed to generating 100 jobs within five years and maintaining that level of employment for the term of the lease. E. I. Williams Industries is operational and in their 5<sup>th</sup> year of manufacturing. NWPID will be applying for a \$500,000 grant to be able to add an addition onto this manufacturing building in 2026.

NWPID executed a 1st amendment to Integrico's lease effective 5.19.21. The terms are that Integrico will maintain 55 full-time permanent jobs. The 2020 annual rent in the amount of \$60,000 was to be paid in 16 equal quarterly installments. The 2021 annual rent in the amount of \$120,000 was to be paid in 16 equal quarterly installments. Commencing on January 1, 2022, annual rent in the amount of \$120,000 was to be paid in quarterly installments. NWPID executed a 2<sup>nd</sup> amendment to Integrico's lease effective 8.22.22 which removed the CEA Agreement. NWPID executed a Consent to Sublease and Estoppel to Integrico's lease effective 12.27.22. As of August 30, 2024, Integrico closed their business, and the Bank of Montgomery took over their equipment. The Bank of Montgomery had an auction for the equipment on 11.7.24. Closed Loop Capital Management has the 1<sup>st</sup> lien on the crossties (inventory). NWPID worked out a deal with Closed Loop for a portion of the income from the sale of the crossties to be applied to past due rent owed. The crossties were auctioned off at a Webster Parish Sheriff's sale and were removed from the property. After the ties were removed a former employee of Integrico filed a lawsuit claiming some of the ties were his and is wanting his portion of the funds from the auction of the ties. NWPID is spending over \$100,000 annually just in insurance for this building.

NWPID is having to do a lot of repairs to the building, because Integrico did not do the repairs according to their lease.

NWPID signed a new 5-year building lease with Springhill Medical Center on 9.1.25 for \$1,250 per month which will generate \$15,000 in annual revenue.

E. I. Williams rented the shop building at 114 Tri-State Drive on October 1, 2025, for \$650 per month and plans to move some workers into this building. E.I. Williams will do the repairs to the building to meet their manufacturing needs.

NWPID signed a Lease Option Agreement with ACE DEVCO NC, LLC effective on August 29, 2023, for a five-year period which will generate \$3,007 in annual revenue. On June 16, 2025, ACE DEVCO NC, LLC terminated their lease with NWPID.

NWPID has had a significant amount of funds generated from interest income from the purchase of CDs.

NWPID added a new business into the Industrial District. C. B. Morgan Machines built a shop and is a new water/sewer customer.

NWPID continues to move forward and tenants within the Industrial District and continues to have steady growth.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District's office at PO Box 176, Springhill, Louisiana, 71075, (318) 539-5058.

## **BASIC FINANCIAL STATEMENTS**

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Statement of Net Position**  
**June 30, 2025**

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,291,842	\$ -	\$ 1,291,842
Investments	1,906,076	-	1,906,076
Receivables	166,437	6,748	173,185
Prepays	95,964	6,375	102,339
Deposits	4,085	-	4,085
Noncurrent assets:			
Land	500,575	-	500,575
Depreciable capital assets, net of depreciation	<u>16,444,027</u>	<u>951,362</u>	<u>17,395,389</u>
Total assets	<u>20,409,006</u>	<u>964,485</u>	<u>21,373,491</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	4,744	84	4,828
Customer meter deposits	-	150	150
Noncurrent liabilities:			
Due within one year	<u>4,368</u>	<u>-</u>	<u>4,368</u>
Total liabilities	<u>9,112</u>	<u>234</u>	<u>9,346</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows on leases	<u>119,112</u>	<u>-</u>	<u>119,112</u>
Total deferred inflows of resources	<u>119,112</u>	<u>-</u>	<u>119,112</u>
<b>NET POSITION</b>			
Net investment in capital assets	16,944,602	951,362	17,895,964
Unrestricted	<u>3,336,180</u>	<u>12,889</u>	<u>3,349,069</u>
Total net position	<u>\$ 20,280,782</u>	<u>\$ 964,251</u>	<u>\$ 21,245,033</u>

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

**STATEMENT B**

	Expenses	Program Revenues		Net (Expenses)/ Revenue	Net (Expenses) Revenues and Changes of Primary Government		
		Charges for Services	Capital Grants & Contributions		Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT:</b>							
<b>Governmental activities</b>							
General government	\$ 1,144,458	\$ 100,694	\$ -	\$ (1,043,764)	\$ (1,043,764)	\$ -	\$ (1,043,764)
Total governmental activities	1,144,458	100,694	-	(1,043,764)	(1,043,764)	-	(1,043,764)
<b>Business-type activities</b>							
Water and sewer	108,705	59,102	-	(49,603)	-	(49,603)	(49,603)
Total business-type activities	108,705	59,102	-	(49,603)	-	(49,603)	(49,603)
Total primary government	\$ 1,253,163	\$ 159,796	\$ -	\$ (1,093,367)	\$ (1,043,764)	\$ (49,603)	\$ (1,093,367)
General revenues:							
Property taxes levied for general purposes					564,600	-	564,600
Investment earnings					93,856	-	93,856
Transfers					(44,582)	44,582	-
Total general revenues and transfers					613,874	44,582	658,456
Change in net position					(429,890)	(5,021)	(434,911)
Net position-beginning					20,710,672	969,272	21,679,944
Net position-ending					\$ 20,280,782	\$ 964,251	\$ 21,245,033

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The accompanying notes are an integral part of this statement.

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

## Governmental Funds

## Balance Sheet

June 30, 2025

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,291,842
Investments	1,906,076
Receivables	166,437
Deposits	<u>4,085</u>
Total assets	<u>\$ 3,368,440</u>
<b>LIABILITIES</b>	
Accounts, salaries, and other payables	<u>\$ 5,802</u>
Total liabilities	<u>5,802</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows on leases	<u>119,112</u>
Total deferred inflows of resources	<u>119,112</u>
<b>FUND BALANCES</b>	
Unassigned	<u>3,243,526</u>
Total fund balances	<u>3,243,526</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,368,440</u>

The accompanying notes are an integral part of this statement.

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position

June 30, 2025

Fund Balances, Total Governmental Funds (Statement C)	\$ 3,243,526
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	16,944,602
Assets used in governmental activities that are not financial resources and therefore, are not reported in the governmental funds:	
Prepaid assets	95,964
Long-term liabilities and other amounts are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	<u>(3,310)</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 20,280,782</u>

The accompanying notes are an integral part of this statement.

**STATEMENT E**

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**

**Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2025**

	<u>General Fund</u>
<b>REVENUES</b>	
Ad valorem taxes	\$ 564,600
Rental income	100,694
Investment earnings	<u>114,121</u>
Total revenues	<u>779,415</u>
 <b>EXPENDITURES</b>	
Current:	
General government	<u>608,951</u>
Total expenditures	<u>608,951</u>
Excess of revenues over expenditures	170,464
 <b>OTHER FINANCING SOURCES (USES)</b>	
Transfers out	<u>(44,582)</u>
Total other financing sources and uses	<u>(44,582)</u>
Net change in fund balances	125,882
Fund balances - beginning	<u>3,117,644</u>
Fund balances - ending	<u>\$ 3,243,526</u>

The accompanying notes are an integral part of this statement.

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities**

**For the Year Ended June 30, 2025**

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ 125,882
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(599,601)
Revenues in the Statement of Activities that do not provide available current financial resources are not reported as revenues in the funds.	(20,264)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Increase in prepaid expense	63,594
Compensated absences	<u>499</u>
Change in Net Position of Governmental Activities, Statement B	<u>\$ (429,890)</u>

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2025**

	Business-Type Activity
	<u>Water and Sewer</u>
<b>ASSETS</b>	
Current assets:	
Accounts receivable	\$ 6,748
Prepays	<u>6,375</u>
Total current assets	<u>13,123</u>
Noncurrent assets:	
Capital assets:	
Plant and equipment	2,630,468
less: accumulated depreciation	<u>(1,679,106)</u>
Total noncurrent assets	<u>951,362</u>
Total assets	<u>964,485</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	84
Customer meter deposits	<u>150</u>
Total current liabilities	<u>234</u>
Total liabilities	<u>234</u>
<b>NET POSITION</b>	
Net investment in capital assets	951,362
Unrestricted	<u>12,889</u>
Total net position	<u>\$ 964,251</u>

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2025**

	Business-Type Activity
	<u>Water and Sewer</u>
<b>Operating revenues:</b>	
Charges for services	
Water and sewer income	\$ 59,102
Total operating revenues	<u>59,102</u>
<b>Operating expenses:</b>	
Contract labor	12,100
Tank rental	7,297
Utilities	18,156
Dues and subscriptions	766
Testing fees	3,407
Repairs and maintenance	30,672
Depreciation	<u>36,307</u>
Total operating expenses	<u>108,705</u>
<b>Operating income (loss) before contributions and transfers</b>	(49,603)
Transfers in	<u>44,582</u>
<b>Change in net position</b>	(5,021)
<b>Net position - beginning</b>	<u>969,272</u>
<b>Net position - ending</b>	<u><u>\$ 964,251</u></u>

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2025**

	Business-Type Activity
	<u>Water and Sewer</u>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 59,662
Cash (payments) for supplies and services	<u>(104,244)</u>
Net cash (used) by operating activities	<u>(44,582)</u>
<b>Cash flows from noncapital financing activities:</b>	
Transfer from other funds	<u>44,582</u>
Net cash used by noncapital financing activities	<u>44,582</u>
Net decrease in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ -</u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:</b>	
Operating (loss)	\$ (49,603)
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	36,307
Change in assets and liabilities:	
Accounts receivable	560
Accounts payable	<u>(30,036)</u>
Net cash provided (used) by operating activities	<u>\$ (44,582)</u>

The accompanying notes are an integral part of this statement.

# NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

## Notes to the Financial Statements

As of and for the Year Ended June 30, 2025

### **INTRODUCTION**

The North Webster Parish Industrial District was created as a political subdivision of the state, under the provisions of Act No. 422 of the 1978 regular session of the Louisiana Legislature. Its territorial limits and jurisdiction extend throughout Ward Two of Webster Parish in the northwest corner of the State of Louisiana.

The governing authority of the District is a Board of Commissioners consisting of seven members, two of whom are appointed by the City of Springhill, one each is appointed by the municipalities of Cullen, Sarepta, Shongaloo, and Cotton Valley, and one is appointed by the Webster Parish Police Jury. Each commissioner serves for an indefinite term of office at the pleasure of the appointing authority.

The District is provided with the powers and duties to incur debt and issue bonds to encourage industrial enterprises through the operation of an industrial park. In addition, the District operates a water and sewer system to provide water to tenants of the industrial park.

#### **1. Summary of Significant Accounting Policies**

##### **A. Basis of Presentation**

The accompanying basic 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.

##### **B. Reporting Entity**

Governmental Accounting Standards Board (GASB) Statements establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Oversight responsibility is determined based on appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government.

Based on the criteria of GASB Statement No 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14, and No. 34, the District is deemed to be a separate reporting entity and there are no component units for which the District is considered to be financially accountable.

##### **C. Government-wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds.) Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's industrial park and general administrative services are classified as governmental activities. The District water services are classified as business-type activities.

# NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

## Notes to the Financial Statements

As of and for the Year Ended June 30, 2025

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the North Webster Parish Industrial District. The effect of material interfund activity has been eliminated from these statements. 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. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

Indirect expenses not allocated to functions are reported separately in the Statement of Activities. Interest expense is considered an indirect expense and is reported separately in the Statement of Activities.

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

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort direct costs and program revenues reported for the various functions concerned.

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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

### Notes to the Financial Statements

As of and for the Year Ended June 30, 2025

accounting. However, debt service expenditures, as well as expenditures related claims and judgments, are recorded only when payment is due.

Property taxes, rental income, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports one major governmental fund, which includes:

*General fund* – The General fund is the entity’s primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

The District reports one proprietary fund. The Enterprise fund (Water & Sewer) is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

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 the same limitation. The government has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are from charges for water and sewerage services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **E. Cash, cash equivalents and investments**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts considered in time deposits and investments with original maturities of 90 days or less. If the original maturities of investments exceed 90 days, they are classified as investments.

State law and the District’s investment policy allow the District to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. The District’s investment policy goals are (1) safety of principal, (2) liquidity, and (3) yield.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2025

For purposes of the Statement of Cash Flows, the District considers highly liquid investments with original maturities of 90 days or less (including restricted assets) to be cash equivalents.

Investments in certificates of deposit and money market mutual funds are stated at amortized cost.

**F. Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities are lease revenues, property taxes, and reimbursements on amounts overpaid to tenants.

Business-type activities report utilities as their major receivable. The District considers substantially all customers' utility receivables and other receivables to be fully collectible; accordingly, an allowance for doubtful accounts is not required. If amounts become uncollectible, in the opinion of management, they are charged to operations at that time.

In the fund financial statements, material receivables in governmental funds include revenue accruals for lease payments, a reimbursement on amounts overpaid to tenants, and other intergovernmental revenues since they are usually both measurable and available.

**G. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows or resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District does not have any item that qualifies for reporting in this category.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until then. The District has one item that qualifies for reporting in this category. The Statement of Net Position reports the deferral of revenue related to leases due to the adoption of GASB 87. See Note 6 for more information.

The governmental funds balance sheet reports unavailable revenues from amounts which are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

**H. Prepaids**

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are accounted for on the consumption method. The balance in prepaids is recognized in the government-wide financial statements.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Notes to the Financial Statements

As of and for the Year Ended June 30, 2025

**I. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation.

The District maintains a threshold level of \$2,500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset nor 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:

Description	Estimated Lives
Land improvements	20-40 years
Building and building improvements	10-40 years
Equipment	5-20 years

**J. Compensated Absences**

The District's policy for paid time off permits full-time employees to accumulate earned but unused vacation/sick time. The amount of paid time off an employee is eligible for is determined by amount of time of service for the District. The employee is allowed to carry forward to the next calendar year up to 15 days of earned paid time off if workload dictates and with approval by the manager.

**K. Long-term obligations**

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund financial statements. Bond premiums and discounts, and gains/losses on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount or gains/losses on refunding.

**L. Fund balances**

The North Webster Parish Industrial District implemented the provisions of Governmental Accounting Standards Board Statement 54, which redefined how fund balances are presented in the fund financial statements. In the fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2025

Restricted - Amounts that can be spent only for specific purposes because of state or federal laws, or externally-imposed conditions by grantors or creditors.

Committed – Amounts constrained to specific purposes by the District, using its highest level of decision-making authority. The District establishes (and modifies or rescinds) fund balance commitments by formal approval during open meetings of the District board, which is the District’s highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.

Assigned - Amounts the District intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned – amounts that are available for any purpose and not included in other spendable classifications.

The District has not adopted a policy to maintain the General Fund's unassigned fund balance above a certain minimum level.

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). When fund balance resources are available for a specific purpose in more than one classification, it is the District’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

**M. Restricted net position**

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources when expenses are incurred for a purpose for which both restricted and unrestricted net position are available.

**N. Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

**O. New GASB Standard**

The District implemented Statement No. 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. The purpose of this Statement is to enhance accounting and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions and accountability. The adoption of this standard had no impact on the District’s financial statements.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Notes to the Financial Statements

As of and for the Year Ended June 30, 2025

The District also implemented Statement No. 101 – Compensated Absences which increased the usefulness of government’s financial statements by aligning the recognition and measurement guidance under a unified model. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not paid in cash or settled through noncash means. The adoption of this standard resulted in no changes in compensated absence liability. There were no changes to the prior net position as a result of this implementation.

**2. Ad valorem tax**

Ad valorem taxes attach as an enforceable lien on property as of January 1<sup>st</sup> of each year. Taxes are levied and collected by the tax collector of the Parish of Webster. Taxes are levied in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1<sup>st</sup> of the following year. The tax levy for 2024 was 4.98 mills of the assessed property valuation on tax rolls as of January 1. For the year ended June 30, 2025, taxes of \$564,600 were levied on property with assessed valuations totaling \$115,833,088.

**3. Stewardship, Compliance, and Accountability**

*Budget information.* The District uses the following budget practices:

- 1) The administrative assistant prepares a proposed budget and submits same to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
- 2) After formal review and public inspection, the budget is adopted by the Board of Commissioners prior to June 30 of the year end.
- 3) Formal budgetary integration is employed as a management control device during the year for the General fund. Budgetary amendments require the approval of the Board of Commissioners. The Board of Commissioners is authorized to transfer amounts between line items within any fund.
- 4) The budget for the General fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts, as originally adopted, are amended from time to time by the District.
- 5) Appropriations lapse at the end of each fiscal year.
- 6) The Board of Commissioners may authorize supplemental appropriations during the year.
- 7) The following individual fund had an excess of expenditures over appropriations:

Fund	Budget	Actual	Variance
General Fund	\$ 604,130	\$ 608,950	\$ (4,820)

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Notes to the Financial Statements

As of and for the Year Ended June 30, 2025

**4. Cash and Cash Equivalents**

At June 30, 2025, the District had cash and cash equivalents totaling \$1,291,842 in interest-bearing and non-interest-bearing demand deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2025, the District had \$3,202,533 in deposits and certificates of deposit (collected bank balances). These deposits were secured from risk by \$750,000 of federal deposit insurance and \$7,506,568 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

The District deposit policies do not address custodial credit risk.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**5. Investments**

As of June 30, 2025, the District's investments consisted of \$1,906,076 in certificates of deposits. Certificates of deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3.)

The District-adopted investment policy does not address credit risk or custodial credit risk.

**6. Lessor tenant agreements**

The District has entered into agreements with various tenants for the use of District buildings for space needed for operations, storage, parking and office facilities. The terms of the various tenant agreements are as follows:

Building - Clinic is leased by Springhill Medical Center, Inc (SMC). The terms of this agreement include a fixed minimum payment of \$1,250 per month. This lease commenced on September 1, 2020, with a term of 60 months, with no options to renew. There are no termination options in this lease. SMC renewed the lease for an additional five years with the same lease amount per month on September 1, 2025.

Building #4 is leased by Teijin Automotive Technologies, LLC (formerly Continental Structural Plastics of Louisiana, LLC.). The term of this agreement includes a fixed minimum payment of \$5,400 per month. The lease commenced on September 1, 2021, with a term of one year lease with the option to renew for an additional one-year term. There are no termination options in this lease.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2025

Building #4 is leased by Teijin Automotive Technologies, LLC (formerly Continental Structural Plastics of Louisiana, LLC.). The term of this agreement includes a fixed minimum payment of \$5,400 per month. The lease commenced on September 1, 2024, with a term of one year lease with the option to renew for an additional one-year term. There are no termination options in this lease.

Compression Building Facility is leased by Teijin Automotive Technologies, LLC (formerly Continental Structural Plastics of Louisiana, LLC.) The term of this agreement includes a minimum payment of \$1,000 per month or \$12,000 per year. The lease agreement also provides for job performance penalties assessed against the lessee for failure to meet a minimum of 175 employees on payroll at the physical location being leased. This lease commenced on January 1, 2022, for a term of 15 years, with no option to renew. There are no termination options in this lease.

Upon implementation of GASB No. 87 for the year ended June 30, 2022, the District measured the lease receivables as of July 1, 2021, discounting to a net present value on July 1, 2021, using 4.8% interest rate, which was the District incremental borrowing rate from its last bond issue.

The following is a schedule of future payments due to the District under non-cancelable agreements as of June 30, 2025:

Year Ending June 30,	Principal	Interest
2026	\$ 20,292	\$ 5,008
2027	7,418	4,582
2028	7,782	4,218
2029	8,164	3,836
2030	8,565	3,435
2031-2035	49,557	10,443
2036-2037	17,334	666
Total	\$ 119,112	\$ 32,188

**7. Receivables**

The receivables at June 30, 2025 are as follows:

	Governmental	Business-type
Lease receivable	\$ 119,112	\$ -
Due from other governments	2	-
Due from tenants	268,573	-
Water and sewer receivable	-	6,748
Gross receivables	387,687	6,748
Less: Allowance for doubtful accounts	(221,250)	-
Net receivables	\$ 166,437	\$ 6,748

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**

Notes to the Financial Statements

As of and for the Year Ended June 30, 2025

**Lease receivable**

The District is reporting leases receivable of \$119,112 as of June 30, 2025. The District reported lease revenue of \$96,386 and interest revenue of \$7,914 related to the payments received. These leases are summarized as follows:

<u>Leased facility</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest</u>
Building – Clinic	\$ 2,485	\$ 14,501	\$ 499
Building #4	10,736	19,241	5,259
Compression Building Facility	105,891	62,644	2,156
Total	<u>\$ 119,112</u>	<u>\$ 96,386</u>	<u>\$ 7,914</u>

**Other receivables**

The total reported as due from tenants is made up of \$47,322 that the District is pursuing collection from a tenant for an overpayment of reimbursed costs as of June 30, 2025. The District will offset future expense reimbursements to settle the amount owed by the tenant. See Note 15 on subsequent events for more information.

**8. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2025, for the District is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 500,575	\$ -	\$ -	\$ 500,575
Total capital assets, not being depreciated	<u>500,575</u>	<u>-</u>	<u>-</u>	<u>500,575</u>
Capital assets being depreciated				
Land improvements	1,792,057	-	-	1,792,057
Buildings and improvements	23,338,761	-	-	23,338,761
Machinery and equipment	42,068	-	-	42,068
Total capital assets being depreciated	<u>25,172,886</u>	<u>-</u>	<u>-</u>	<u>25,172,886</u>
Less accumulated depreciation for:				
Land improvements	(1,316,190)	(16,794)	-	(1,332,984)
Building and improvements	(6,773,473)	(581,879)	-	(7,355,352)
Machinery and equipment	(39,595)	(928)	-	(40,523)
Total accumulated depreciation	<u>(8,129,258)</u>	<u>(599,601)</u>	<u>-</u>	<u>(8,728,859)</u>
Total capital assets being depreciated, net	<u>17,043,628</u>	<u>(599,601)</u>	<u>-</u>	<u>16,444,027</u>
Governmental activities capital assets, net	<u>\$ 17,544,203</u>	<u>\$ (599,601)</u>	<u>\$ -</u>	<u>\$ 16,944,602</u>

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2025

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-types activities:				
Capital assets being depreciated				
Improvements other than buildings	\$ 2,630,468	\$ -	\$ -	\$ 2,630,468
Total capital assets being depreciated	<u>2,630,468</u>	<u>-</u>	<u>-</u>	<u>2,630,468</u>
Less accumulated depreciation for:				
Improvements other than buildings	(1,642,799)	(36,307)	-	(1,679,106)
Total accumulated depreciation	<u>(1,642,799)</u>	<u>(36,307)</u>	<u>-</u>	<u>(1,679,106)</u>
Total capital assets being depreciated, net	<u>987,669</u>	<u>(36,307)</u>	<u>-</u>	<u>951,362</u>
Business-type activities capital assets, net	<u>\$ 987,669</u>	<u>\$ (36,307)</u>	<u>\$ -</u>	<u>\$ 951,362</u>

Depreciation expense was charged as a direct expense of the primary government as follows:

Governmental activities:		Business-type activities:	
General government	\$ <u>599,601</u>	Water & sewer	\$ <u>36,307</u>

**9. Accounts payable and other accrued liabilities**

The payables of the District at June 30, 2025, are as follows:

	<u>Governmental</u>	<u>Business-type</u>
Accounts payable	\$ 2,542	\$ 84
Wages payable	1,797	-
Payroll tax liabilities	405	-
Total	<u>\$ 4,744</u>	<u>\$ 84</u>

**10. Customer Meter Deposits**

As of June 30, 2025, the District began charging a meter deposit for new accounts of the water and sewer system. The total deposits held for customers as of June 30, 2025, was \$150.

**11. Operating Transfers**

Operating transfer balances for the year ended June 30, 2025, were as follows:

	Operating Transfer	
	<u>In</u>	<u>Out</u>
General fund	\$ 44,582	\$ -
Enterprise fund	-	44,582
Total	<u>\$ 44,582</u>	<u>\$ 44,582</u>

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2025

The General fund bank account covers the excess costs of Water and Sewer fund not covered by the water system revenue.

**12. Long-term Obligation**

The following is a summary of the change in long-term debt for the year ended June 30, 2025:

<u>Type of debt</u>	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2025</u>	<u>Amount due within one year</u>
Governmental activities:					
Compensated absences	\$ 3,809	\$ 4,044	\$ (3,485)	\$ 4,368	\$ 4,368
Total	\$ 3,809	\$ 4,044	\$ (3,485)	\$ 4,368	\$ 4,368

**13. Risk Management**

The District purchases commercial insurance to provide worker’s compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the previous year.

**14. Tax abatements**

The District is subject to tax abatements granted by the Louisiana Department of Economic Development (LED). Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2025 by authorized millage is as follows:

<u>Tax code</u>	<u>Millage</u>	<u>Taxable value</u>	<u>Taxpayer exemption</u>
General corporate purposes	4.98 mills	\$ 4,245,505	\$ 21,143

**15. Subsequent events – Lease Default and Recoupment Efforts**

Management has evaluated subsequent events through December 26, 2025, the date that the financial statements were available to be issued and determined that the following additional disclosure was necessary.

The District has declared that the tenant of Building #3 had defaulted on lease payments totaling \$221,250 as of June 30, 2025. The tenant failed to meet the remaining payment obligations for 2020-2021, as well as the obligations for the last three quarters of the year-ended June 30, 2024. The District has estimated that the whole amount of \$221,250 may not be collected due to the collection process described below.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Notes to the Financial Statements

As of and for the Year Ended June 30, 2025

A Sheriff's sale was held on July 30, 2025, at which rail ties previously owned by a tenant in default were sold for gross proceeds of \$293,723. Under a signed agreement with the consignment company, \$73,430 of the proceeds is due to the District. The receipt of these funds is subject to the outcome of separate litigation, and therefore the timing of collection is uncertain.

**16. Litigation and claims**

The District has one suit involving damages and unpaid rent that was filed by the District against Integrigo Composites, Inc on September 5, 2024. The District is seeking \$221,250 for unpaid rent against Integrigo Composites, Inc.

## **REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered part of the basic financial statements. This information includes the Budgetary Comparison Schedule for the General fund and notes to the budgetary comparison schedule.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Budgetary Comparison Schedule -**  
**General Fund**  
**For the Year Ended June 30, 2025**

**Schedule 1**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Ad valorem taxes	\$ 520,000	\$ 565,000	\$ 564,600	\$ (400)
Rental income	270,108	108,608	100,694	(7,914)
Investment earnings	63,000	106,449	114,121	7,672
Total revenues	<u>853,108</u>	<u>780,057</u>	<u>779,415</u>	<u>(642)</u>
<b>Expenditures</b>				
General government	<u>192,034</u>	<u>604,130</u>	<u>608,951</u>	<u>(4,821)</u>
Total expenditures	<u>192,034</u>	<u>604,130</u>	<u>608,951</u>	<u>(4,821)</u>
Excess (deficiency) of revenues over expenditures	661,074	175,927	170,464	(5,463)
<b>Other Financing Sources (Uses)</b>				
Operating transfers out	<u>(81,671)</u>	<u>(17,255)</u>	<u>(44,582)</u>	<u>(27,327)</u>
Total other financing sources (uses)	<u>(81,671)</u>	<u>(17,255)</u>	<u>(44,582)</u>	<u>(27,327)</u>
Net change in fund balances	579,403	158,672	125,882	(32,790)
<b>Fund balance - beginning</b>	<u>1,738,865</u>	<u>1,733,252</u>	<u>3,117,644</u>	<u>1,384,392</u>
<b>Fund balance - ending</b>	<u>\$ 2,318,268</u>	<u>\$ 1,891,924</u>	<u>\$ 3,243,526</u>	<u>\$ 1,351,602</u>

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**

**Notes to Budgetary Comparison Schedule  
As of and for the Year Ended June 30, 2025**

Note 1 - Budget basis

- A. The budget for the General fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
- B. Appropriations lapse at the end of each fiscal year.

## **OTHER SUPPLEMENTAL SCHEDULES**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for the purpose of additional analysis.

Such statements include:

- Schedule of Compensation Paid Board Members
- Schedule of General fund Expenditures
- Schedule of Compensation, Benefits and Other Payments to Agency Head

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Schedule of Compensation Paid Board Members  
June 30, 2025

The Board of Commissioners of the North Webster Parish Industrial District meets each month. They do not receive any compensation. The following were members of the Board as of June 30, 2025:

Chairman	Randy Sexton	Member	Jeff Harper
Vice-Chairman	John "Darryl" Vercher	Member	Cecil Lane Hedrick
Secretary-Treasurer	Terry Lewis	Member	Lamer Smith
Member	James Heath Harvey		

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
 Schedule of General Fund Expenditures  
 For the Year Ended June 30, 2025

With Comparative Amounts for the Year Ended June 30, 2024

	2025	2024
General and administrative:		
Salaries	\$ 59,606	\$ 55,471
Taxes	4,813	4,502
Building maintenance	185,013	7,510
Website software	4,124	3,241
Insurance	154,469	34,837
Legal and accounting	32,929	22,571
Office	2,294	2,444
Tax assessor fees	20,344	19,055
Bank fees	25	112
Promotional	725	800
Telephone	4,209	3,840
Utilities	13,033	5,117
Dues	5,350	5,350
Printing	977	813
Commission expense	3,888	3,888
Total general and administrative	491,799	169,551
Park expenditures:		
Maintenance	117,152	21,105
Total park expenditures	117,152	21,105
Total general fund expenditures	\$ 608,951	\$ 190,656

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Schedule of Compensation, Benefits and Other Payments to Agency Head  
Year Ended June 30, 2025

<b><u>Position: District manager</u></b>	<b><u>Lisa Duggan</u></b>
<b>Purpose:</b>	
Salary	\$ 59,607
Benefits - payroll taxes	4,813
Other	<u>63</u>
Total payments to agency head	<u>64,483</u>

## **OTHER REPORTS**

**WISE, MARTIN & COLE, L.L.C.**  
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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT*  
*AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of North Webster Parish Industrial District (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 26, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might by material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the

accompanying schedule of current year findings as item 2025-01, that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current year findings as item 2025-02.

### **District's Response to Findings**

*Governmental Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of current year's finding. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended purpose of these reports is limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Wise Martin & Cole LLC*

Minden, Louisiana  
December 26, 2025

**SCHEDULES FOR LOUISIANA LEGISLATIVE AUDITOR**

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Schedule of Current Year Findings  
For the Year Ended June 30, 2025

### **Finding 2025-01 Lack of segregation of duties**

**Specific requirement:** Proper internal control requires segregation of duties. An adequate system of internal accounting controls provides for the segregation of duties of employees such that no one employee is in a position to both initiate and approve transactions.

**Condition found:** Management for the North Webster Parish Industrial District does not have proper segregation of duties to ensure adequate internal accounting controls such that no one employee is in a position to both initiate and approve transactions.

The District has one employee who is responsible for receiving checks, endorsing checks, preparing deposit slips, making the deposits, recording transactions in the accounting records, and preparing the bank reconciliation. That same person also prepares payroll, files payroll reports, maintains paid time off and comp time calculations.

#### **Possible asserted effect (cause and effect)**

**Cause:** The District staff consist of a limited number of employees and therefore it is not feasible to maintain an adequate segregation of duties.

**Effect or potential effect:** Intentional or unintentional errors could be made and not be detected.

**Recommendation to prevent future occurrences:** Although it may not be practical to segregate accounting and reporting duties due to limited personnel, we recommend that members of the Board continue their involvement in monitoring, review and oversight.

**Management Response:** NWPID Management has taken every step available to provide for segregation of duties with a limited staff, especially as it relates to good financial control. With only one employee, this is difficult to achieve. NWPID involves the board members, primarily the Chairman, in reviewing and approving bank reconciliations, payroll, payroll reports, and approving leave and comp time. Additionally, board approval is required for all expenditures, and only members of the board not including staff can sign checks or access the District's funds. The District will review possible documents or recommendations for the best business practices found on the Louisiana Legislative Auditors website.

### **Finding 2025-02 Budget**

**Specific requirement:** The Local Government Budget Act requires the annual budget to be amended when actual plus projected revenues or expenditures and other financing uses exceed budgeted amounts by more than 5% unfavorable.

**Condition found:** Actual expenditures and other financing uses exceeded budgeted expenditures by more than 5%.

#### **Possible asserted effect (cause and effect)**

**Cause:** Operating transfers exceeded budgeted transfers for the year.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Schedule of Current Year Findings  
For the Year Ended June 30, 2025

**Effect:** The District expenditures exceeded budgeted expenditures by more than 5%

**Recommendation to prevent future occurrences:** We recommend that the District Manager monitors budget and expenditures to ensure that budgeted expenditures are within 5% of projected expenditures for the General Fund.

**Management Response:** NWPID acknowledges that the District did not follow the guidelines set forth by the Local Government Budget Act. The District made an error by not posting a transfer of funds entry into their QuickBooks account at the end of the year but made an entry to reflect a transfer on the budget side. Every effort will be made in the future to make sure the transfer of funds entry has been posted on the accounting side and the budget stays within 5%.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Schedule of Prior Year Findings  
For the Year Ended June 30, 2025

There were two findings for the prior year audit for the year ended **June 30, 2024**, as follows:

**Finding 2024-01 Lack of segregation of duties**

**Material weakness:** Management for the North Webster Parish Industrial District does not have proper segregation of duties to ensure adequate internal accounting controls.

**Current Status:** Not resolved. See current year finding, 2025-01.

**Finding 2024-02 Budget**

**Material weakness:** The Local Government Budget Act requires the annual budget to be amended when actual plus the projected revenues or expenditures and other financing uses exceed budgeted amounts by more than 5% unfavorable. The District revenues fell short of budgeted revenues by 10.5%.

**Current Status:** Not resolved. See current year finding, 2025-02.

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

To the North Webster Parish Industrial District  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The North Webster Parish Industrial District's management is responsible for those C/C areas identified in the SAUPs.

The North Webster Parish Industrial District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***Collections (excluding electronic funds transfers)***

---

1. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*Management provided us with the required list and representation that the listing is complete.*

2. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

*Management provided us with the required list and representation that the listing is complete.*

- a. Employees responsible for cash collections do not share cash drawers/registers.

*This procedure does not apply. The District has one employee and no cash drawer/register is used by the District.*

- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

***Exception:** The employee responsible for collecting cash is also responsible for preparing/making bank deposits. No other reconciliation is performed by another employee/official.*

***Management response:** NWPID Management has taken every step available to provide for segregations of duties with a limited staff. With only one employee, this is difficult to achieve. The Chairman or a Board Member will review the monthly deposit report for any discrepancies.*

- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

***Exception:** The employee responsible for collecting cash is also responsible for posting entries to the general ledger. No other reconciliation is performed by another employee/official.*

***Management response:** NWPID Management has taken every step available to provide for segregations of duties with a limited staff. With only one employee, this is difficult to achieve. The Chairman or a Board Member will review the general ledger for any discrepancies.*

- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

***Exception:** The District has one employee who is responsible for reconciling cash collections to the general ledger and is also responsible for collecting cash. No other employee/official verifies the reconciliation.*

***Management response:** NWPID Management has taken every step available to provide for segregations of duties with a limited staff. With only one employee, this is difficult to achieve. The Chairman or a Board Member will review the reconciliations for any discrepancies.*

3. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.

*All employees who have access to cash are covered by a bond or insurance policy for theft.*

4. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits

are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a. Observe that receipts are sequentially pre-numbered.  
*Not applicable - Receipts are not used by the District.*
- b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
*No exception noted.*
- c. Trace the deposit slip total to the actual deposit per the bank statement.  
*No exception noted.*
- d. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).  
*No exceptions noted.*
- e. Trace the actual deposit per the bank statement to the general ledger.  
*No exceptions noted.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

5. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).  
*Management provided us with the required list and representation that the listing is complete.*
6. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:  
*Management provided us with the required list and representation that the listing is complete.*
  - a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.  
*Not applicable - The Commission does not utilize a requisition/purchase order system. Purchases receive advance Commission approval through budgetary allocations, except when state law or Commission policy require formal bids.*
  - b. At least two employees are involved in processing and approving payments to vendors.  
*No exception noted.*

- c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*No exception noted.*

- d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*Exception: The employee who is responsible for processing payments is also responsible for mailing the payments.*

*Management response: NWPID Management has taken every step available to provide for segregations of duties with a limited staff. With only one employee, this is difficult to achieve.*

7. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

*No exceptions noted.*

- b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions noted.*

8. Using the entity's main operating account and the month selected in Bank reconciliations procedure above, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g. sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

*No exceptions noted.*

We were engaged by the North Webster Parish Industrial District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the North Webster Parish Industrial District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Wise Martin's, Colo LLC*

Minden, Louisiana  
December 26, 2025