

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

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COMPONENT UNIT FINANCIAL STATEMENTS

December 31, 1998

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Release Date 2-22-99

# WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

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**INDEPENDENT AUDITOR'S REPORT**

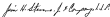
To the Members of the Board of Commissioners  
Wabasca Parish Fire Protection District No. 11  
Springhill, Louisiana

We have audited the accompanying component unit financial statements of Wabasca Parish Fire Protection District No. 11, a component unit of the Wabasca Parish Police Jury, as of and for the year ended December 31, 1998, as listed in the table of contents. These component unit financial statements are the responsibility of the Wabasca Parish Fire Protection District's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material aspects, the financial position of Wabasca Parish Fire Protection District No. 11, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 15, 1999 on our consideration of Wabasca Parish Fire Protection District No. 11 internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



*Certified Public Accountants*

June 15, 1999

**WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11**

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

	Governmental	Annual Groups		Total
	Fund			(Minorities)
		General	General	December 31,
	Special	Fund	Long-Term	1998
		Assets	Debt	
<b>Assets and Other Debits:</b>				
Cash	88,688			88,688
Accounts receivable:				
City of Springhill	8,147			8,147
Service fees - not of allowance				
for uncollectible accounts-PCA	--			--
Other	700			700
Fund assets		178,887		178,887
Other debits:				
Amount to be provided for contribution			31,200	31,200
of subsidiaries and for capital				
loss			31,200	31,200
<b>Total assets and other debits</b>	<u>97,535</u>	<u>178,887</u>	<u>31,200</u>	<u>307,622</u>
<b>Liabilities, Equity and Other Credits:</b>				
Liabilities:				
accounts payable	2,333			2,333
accrued expenses	209			209
Capital loss			31,200	31,200
<b>Total liabilities</b>	<u>2,542</u>		<u>31,200</u>	<u>33,742</u>
<b>Equity and other credits:</b>				
Investment in general fund assets		178,887		178,887
Fund balance - unassigned				
Designated - purchase of fire truck	11,211			11,211
Unassigned	84,882			84,882
<b>Total equity and other credits</b>	<u>96,113</u>	<u>178,887</u>		<u>275,000</u>
<b>Total liabilities, equity and other credits</b>	<u>98,655</u>	<u>178,887</u>	<u>31,200</u>	<u>308,742</u>

See accompanying notes to the financial statements

**WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11****Statement of Revenues, Expenditures and Changes in Fund Balance -  
Governmental Fund Type  
For the Year Ended December 31, 1998**

	<u>General</u>
<b>Revenues:</b>	
Fire and alarm service fees	126,200
Fire insurance premium rebates	11,471
Intergovernmental revenues:	
Webster Parish Police Jury	15,875
United States Department of Agriculture	287
Contributions	4,796
Interest income	2,619
<b>Total revenues</b>	<u>161,312</u>
<b>Expenditures:</b>	
Current:	
General government	181,667
Capital outlay:	
Current expenditures	36,823
Debt service:	
Principal	88,170
Interest	11,224
<b>Total expenditures</b>	<u>297,524</u>
Excess (deficiency) of revenues over (under) expenditures	(136,212)
Fund balance at beginning of year	<u>136,967</u>
Fund balance at end of year	<u>96,317</u>

See accompanying notes to the financial statements.

**WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11**

Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual - General Fund  
For the Year Ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Fire and motor fees	118,908	126,316	(7,408)
Fire insurance premium rebate	11,471	11,479	
Intergovernmental revenues:			
Webster Parish Police Jury	16,216	17,879	1,663
United States Department of Agriculture	917	917	
Fund Raising Activities	1,964	4,796	2,832
Interest	2,332	2,418	786
<b>Total revenues</b>	<u>159,804</u>	<u>165,815</u>	<u>6,011</u>
<b>Expenditures:</b>			
Current:			
General government	111,912	107,607	4,305
Capital outlay:			
Current expenditures	9,999	16,312	(6,313)
Debt Service:			
Principal		58,112	(58,112)
Interest	69,236	11,234	58,002
<b>Total expenditures</b>	<u>191,147</u>	<u>193,265</u>	<u>(2,118)</u>
<b>Excess (deficiency) of revenues over (under) expenditures:</b>	<u>(31,343)</u>	<u>16,250</u>	<u>3,907</u>
<b>Fund balance at beginning of year</b>	<u>126,967</u>	<u>126,967</u>	
<b>Fund balance at end of year</b>	<u>95,624</u>	<u>95,217</u>	<u>407</u>

See accompanying notes to the financial statements.

## WEISTER PARISH FIRE PROTECTION DISTRICT NO. 11

Notes to Financial Statements  
December 31, 1998

The Weister Parish Fire Protection District No. 11 (the District) was created by the Weister Parish Police Jury by resolution on June 4, 1991, as provided under Louisiana Revised Statutes 48:1491 through 48:1501. The District is governed by a Board of Commissioners - two members appointed by the Weister Parish Police Jury, two members appointed by the Mayor and Board of Aldermen of the City of Springhill, and one member appointed by the other four members. The purpose of the District is to provide fire protection and emergency services to residents of the District.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying component unit financial statements of Weister Parish Fire Protection District No. 11 have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

**Reporting Entity** - These component unit financial statements include all funds and account groups over which the District exercises control, authority, management, influence or accountability. Control by or influence over the District was determined on the basis of budget adoption, voting authority, authority to incur debt, election or appointment of the governing body, and general oversight responsibility.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Weister Parish Police Jury financial reporting process. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body,
2. The ability of the police jury to impose its will on the organization, and
3. The potential for the organization to provide specific financial benefits or to impose specific financial burdens on the police jury.

Because the police jury meets the above criteria, the District was determined to be a component unit of the Weister Parish Police Jury, the financial reporting entity. The accompanying component unit financial statements present information only on the funds and account groups maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**Fund Accounting** - The District uses a fund (General Fund) and account groups report on its financial position and the results of its operations. The operations of the fund is accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The account groups, on the other hand, are financial reporting devices designed to provide accountability for certain assets that are not recorded by the fund because they do not directly affect net expendable available financial resources and to provide accountability for long-term liabilities to be financed from the general fund. The fund (General Fund) is classified as a governmental fund. Other essential funds account for the general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or maintenance of general fund assets and the servicing of general long-term debt and all operating activities.

(Continued)

## WABSTER PARISH FIRE PROTECTION DISTRICT NO. 11

Notes to Financial Statements  
December 31, 1998

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Fund Assets and Long-term Liabilities.** The accounting and reporting treatment applied to the fund assets and long-term debt associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "modified flow" measurement focus and only current assets and current liabilities are generally included on their balance sheet.

Fund assets used in governmental fund type organizations (general fund assets) are accounted for in the General Fund Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fund assets.

All fund assets are stated at historical cost, or estimated cost if actual historical cost is not available.

The account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

**Basis of Accounting.** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds report increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by the General Fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

**Use of Estimates.** The preparation of financial statements generally requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Budgets.** A budget for the coming year is prepared by the district chairman and treasurer and approved by the Board of Commissioners prior to December 31, of each year during the Board's regular December meeting. The proposed budget is prepared on the modified accrual basis of accounting. The budget is legally adopted and amended, as necessary, by the Board of Commissioners. The Board reserves all authority to make changes to the budget. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. The budget was amended in 1998.

**Compensated Absence and Pension Plans.** The District has one full-time employee. The District does not contribute to a pension plan. The employee accrues one week vacation per year. There is no sick leave policy.

(continued)



# WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

Notes to Financial Statements  
December 31, 1998

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Bad Debts.** Fire service fees which are billed and collected by the City of Springhill from utility customers are recorded as amounts received from the City, which are not of any loss or loss of debt. Such amounts would not be material to the financial statements.

An allowance for doubtful accounts has been established for those fees billed to residents of the District which are not city utility customers and are estimated by management to be uncollectible. The allowance is \$928 at December 31, 1998.

**Total Columns are Combined Statements.** Total columns on the combined statements are captioned "Information Only" to indicate that they are presented only to facilitate financial analysis. Included eliminations have not been made in the aggregation of this data, and it is, therefore, not comparable to a consolidation.

## 2. CASH:

The carrying amount of the District's cash deposits total \$98,888, and the bank balance is \$98,778 at December 31, 1998. The deposits are in interest-bearing demand deposit savings accounts and a certificate of deposit maturing in one year.

Under state law, the deposits and the certificates of deposit must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The District has total deposits of \$98,778 at December 31, 1998.

The District's deposits are categorized to give an indication of the level of risk retained by the District at year end. Category 1 includes deposits that are insured or registered or for which securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered deposits for which the securities are held by the county party's trust department or agent in the District's name. Category 3 includes uninsured and unregistered deposits for which the securities are held by the county party, or by its trust department or agent, but not in the District's name.

	Collateral Description	1	2	3	Carrying Value	Market Value
FDIC Insurance		\$1,778			\$1,778	\$1,778

## 3. DESIGNATED FUND BALANCE:

The Board of Commissioners has decided that revenues from the Webster Fire District be designated for purchase of new fire trucks.

(continued)

## WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

Notes to Financial Statements  
December 31, 1998

### 4. FIRE SERVICE CHARGES

On October 18, 1998, the Board of Commissioners passed a resolution in accordance with Louisiana Revised Statute 40:1507 to assess a service charge in the amount of \$4.00 per month to all households within the District for the purpose of acquiring, constructing, improving, maintaining and operating fire protection facilities and equipment. The service charge is billed and collected by the City of Springhill, Louisiana from all city utility customers and billed and collected by the District from those residents of the District who are not on city water. A fee of \$200.00 per response call is charged for city calls to non-members of the District.

On January 14, 1998, the Board of Commissioners passed a resolution to enter into an agreement with the Wilcox - South Columbia County, Arkansas Fire District (WSFC) to provide fire protection services to residents of the WSFC District. Fees for members of the WSFC District are collected and paid by the WSFC District at the rate of \$4.00 per month. A fee of \$200.00 per response call is charged for city calls to non-members of the District.

### 5. CHANGES IN GENERAL FIXED ASSETS:

The changes in general fixed assets are as follows:

	Balance January 1, 1998	Additions	Deuctions	Balance December 31, 1998
Equipment	116,773	18,812	188	135,397
Vehicles	48,098	-	-	48,098
Capital Lease - Vehicle	187,952	-	-	187,952
Total	352,823	18,812	188	371,447

### 6. PER DIEM PAID TO BOARD MEMBERS AND RELATED PARTY TRANSACTIONS

Webster Parish Fire Protection District No. 11 has a voluntary board, therefore no per diem amounts were paid during this period. David Camp receives a salary for serving the District as fire chief and vice-fire warden. Board members are not reimbursed for expenses paid for the District out of personal funds. In addition, board members who also serve as firemen are paid a per diem, which is the same for all the firemen, for fire and emergency calls actually attended by the unit. A summary of these expenditures are as follows:

	Salary	Reimbursed Expenses	Cells
David Camp	-	-	687
Scott Park	25,476	-	1,525
Scott Hirsch	-	-	-
Jonathan Washington	-	-	-
Eric Simmons	-	-	-

(continued)

**WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11**

Notes to Financial Statements  
December 31, 1998

**7. LONG-TERM DEBT**

**Loans:**

The District records loans under capital leases as assets and obligations in the accompanying financial statements. The following is a summary of future minimum lease payments at December 31, 1998:

2000	34,576
Total minimum lease payments	34,576
Less: amount representing interest	2,353
Present value of future minimum payments	32,223

The District entered into a five-year operating lease effective January 1, 1994, with the City of Springhill, Louisiana, for two fire station buildings and various vehicles and equipment. The current year expenditures under the lease is \$1.

Subsequent to December 31, 1998, the District entered into a new five-year operating lease effective January 1, 1999, with the City of Springhill, Louisiana, for two fire station buildings and various vehicles and equipment. Minimum annual commitments under the lease are as follows:

1999	2
2000	2
2001	2
2002	2
2003	2
<b>Total</b>	<b>10</b>

**Changes in Long-term Debt:**

The following is a summary of changes in long-term debt for the year ended December 31, 1998:

	Balance January 1,	Principal Payments	Balance December 31,
Capital loans	90,438	58,112	32,326
	90,438	58,112	32,306

(continued)

## WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

Notes to Financial Statements  
December 31, 1998

### 8. FEDERAL FINANCIAL ASSISTANCE:

During the year, the District applied for and received a grant from the United States Department of Agriculture, Forestry Service through the Louisiana Department of Agriculture and Forestry. The grant totaling \$107 was matched with \$107 in District funds and the funds were expended for equipment in accordance with the requirements of the grantor.

### 9. COMMITMENTS AND CONTINGENT LIABILITIES:

The Fire District is a party to various legal actions commonly associated with governmental entities, the aggregate effect of which, in management's and legal counsel's opinion, would not be material to the Fire District.

### 10. SUBSEQUENT EVENT, CONTINGENCY, YEAR 2000 COMPUTER GLITCH:

Management is aware of the Year 2000 computer problem (Y2K) and has taken the following steps:

- A. Assessment of the computer hardware indicates the computer is Y2K compatible.
- B. Accounting software has been installed in 1999 at a cost of \$200, which is Y2K compliant.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT ACCOUNTING STANDARDS**

Members of the Board of Commissioners  
Webster Parish Fire Protection District No. 11  
Springhill, Louisiana

We have audited the component unit financial statements of Webster Parish Fire Protection District No. 11, a component unit of the Webster Parish Police Jury, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 11, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

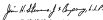
As part of obtaining reasonable assurance about whether Webster Parish Fire Protection District No. 11's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing no 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 no instances of noncompliance that we required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Webster Parish Fire Protection District (PJ)'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted that (PJ) noted involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters covering in our opinion relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Webster Parish Fire Protection District (PJ)'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition noted is described in the accompanying schedule of findings and questioned costs as item 9B-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not mitigate to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. The consideration of the internal control over financial reporting would not necessarily disclose all weaknesses in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Commissioners, management, the White House Parish Police Jury, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

  
Certified Public Accountants

June 15, 2009

# WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

## Schedule of Findings and Questioned Costs December 31, 1998

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of Report Issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Reportable conditions identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted:	No

#### Expenditures

Not applicable.

### Section II - Financial Statement Findings

#### 99-1:

Condition:	As reported in the past, due to the small size of the district and the related economic and operational conditions, the majority of all accounting functions are performed by one person.
Recommendation:	We make no recommendation to correct this situation at this time because of economic conditions.
Management's response:	The board recognizes this problem and tries to stay involved in daily activities as much as possible. The board reviews all cash disbursements monthly.

### Section III - Federal Award Findings and Questioned Costs

Not applicable.