

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6

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COMPONENT UNIT FINANCIAL STATEMENTS

December 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 30 1999

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Jim H. Stevens, Jr. & Company, L.L.P.
Certified Public Accountants

209 E. Church Street
Springfield, Louisiana 71075

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Commissioners
Wichita Parish Fire Protection District No. 4
Cullen, Louisiana

We have audited the accompanying component unit financial statements of Wichita Parish Fire Protection District No. 4, a component unit of the Wichita Parish Police Jury, as of December 31, 1999, and for the year then ended. These component unit financial statements are the responsibility of the Wichita 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. These 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 respects, the financial position of Wichita Parish Fire Protection District No. 4, as of December 31, 1999, 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 May 24, 1999 on our consideration of Wichita Parish Fire Protection District No. 4 internal control structure and a report dated May 24, 1999 on its compliance with laws and regulations.

Jim H. Stevens, Jr. & Company, L.L.P.

Certified Public Accountants

May 24, 1999

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6

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

	<u>Governmental Fund</u>	<u>Account Group</u>	<u>Totals (Minororities Only)</u>
	<u>General</u>	<u>General Fund Assets</u>	<u>December 31, 1998</u>
Assets and Other Debits:			
Cash	1,368		1,368
Investments	129,603		129,603
Accounts receivable:			
Ad valorem taxes - net	181,624		181,624
Other	13		13
Accrued interest	919		919
Fund assets		418,790	418,790
Total assets and other debits	<u>313,527</u>	<u>418,790</u>	<u>659,120</u>
Liabilities, Equity and Other Credits:			
Liabilities:			
Accounts payable	3,092		3,092
Total liabilities	<u>3,092</u>		<u>3,092</u>
Equity and other credits:			
Investment in general fund assets		418,790	418,790
Fund balance:			
Unreserved/unexpended	217,467		217,467
Total equity and other credits	<u>217,467</u>	<u>418,790</u>	<u>638,927</u>
Total liabilities, equity and other credits	<u>220,559</u>	<u>418,790</u>	<u>639,710</u>

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6**Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund Type
For the Year Ended December 31, 1998**

	Governmental Fund Type General Fund
Revenues	
Aid/refund taxes	800,000
Fire insurance premium rebates	5,400
Intergovernmental revenues	
Webster Parish Police Jury	780
Miscellaneous	145
Interest income	9,497
Total revenues	<u>815,622</u>
Expenditures	
Current:	
General government	31,077
Capital outlay:	
Current expenditures	61,092
Total expenditures	<u>92,169</u>
Excess (deficiency) of revenues over (under) expenditures	723,453
Fund balance at beginning of year	<u>231,187</u>
Fund balance at end of year	<u>954,640</u>

See accompanying notes to the financial statements.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual - General Fund
 For the Year Ended December 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Ad valorem taxes	90,000	182,065	92,065
Fire insurance premium rebate	3,500	3,493	(66)
Inter governmental revenues:			
Webster Parish Police Jury	700	700	
Miscellaneous		143	143
Interest	6,000	8,487	2,487
Total revenues	<u>100,200</u>	<u>197,878</u>	<u>97,678</u>
Expenditures			
Current:			
General government	58,118	62,437	(4,319)
Capital outlay:			
Current expenditures	30,000	60,000	30,000
Total expenditures	<u>88,118</u>	<u>122,437</u>	<u>34,319</u>
Excess (deficiency) of revenues over (under) expenditures	(28,918)	75,441	104,359
Fund balance at beginning of year	<u>215,117</u>	<u>215,117</u>	
Fund balance at end of year	<u>186,199</u>	<u>290,558</u>	<u>104,359</u>

See accompanying notes to the financial statements.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 4

Notes to Financial Statements
December 31, 1998

The Webster Parish Fire Protection District No. 4 (the District) was created by the Webster Parish Police Jury by resolution on July 23, 1989, as provided under Louisiana Revised Statutes 49:1471 through 49:1520. The District is governed by a Board of Commissioners. Two members appointed by the Webster Parish Police Jury, two members appointed by the Mayor and Council of the City of Thibodaux, Louisiana, and one member appointed by the other five members. The purpose of the District is to provide fire protection and emergency services to residents of the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying component unit financial statements of Webster Parish Fire Protection District No. 4 have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The 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, either by, 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 Webster Parish Police Jury for financial reporting purposes. The basic criteria 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. Approving a voting majority of an organization's governing body,
2. The ability of the police jury to impose its will on that organization, and
3. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

Because the police jury meets the above criteria, the District is determined to be a component unit of the Webster Parish Police Jury, for financial reporting entity. The accompanying component unit financial statements provide information only on the fund and account group 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 to report on its financial position and the results of its operation. 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 in 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. Governmental funds account for the general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fund assets and the recording of general long-term debt and all operating activities.

(Continued)

WESTER PARISH FIRE PROTECTION DISTRICT NO. 6

Notes to Financial Statements
December 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Assets. The accounting and reporting treatment applied to the fund assets associated with a fund is determined by its measurement focus. All governmental funds are accounted for on a spending or "modified flow" measure and financial only current assets and current liabilities are generally included on their balance sheets.

Fund assets used in governmental fund type organizations (general fund assets) are measured for in the Class of Fund Assets Account Group, and are recorded as expenditures in the governmental fund type 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. Deeded fund assets are stated at their estimated fair value on the date deeded.

The account group listed as "fund" is measured 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 (general revenues (a), revenues and other financing sources) and disclosures (a), expenditures and other financing uses) is not 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 these estimates.

Budgets. A budget for each year is prepared by the district chairman and treasurer and approved by the Board of Commissioners each year during the Board's last regular meeting of the prior year. 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 Plan. The District only has one part-time employee, therefore, it does not contribute to a pension plan and does not have a formal vacation or sick leave policy.

(Continued)

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 4

Notes to Financial Statements
December 31, 1998

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bad Debts. An allowance for doubtful accounts has been established for all sales taxes, which are estimated by management to be uncollectible. The allowance is \$63,000 as of December 31, 1998.

Total Columns on Combined Statements. Total columns on the combined statements are prepared "Management Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

II. CASH AND INVESTMENTS

The carrying amount of the District's cash deposits total \$2,358, and the bank balance is \$1,800 as of December 31, 1998. The deposits are in an interest-bearing demand deposit account.

Investments held by the District consist of certificates of deposits with maturities in excess of three (3) months. These certificates of deposits total \$221,000 as of December 31, 1998.

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 \$223,358 as of December 31, 1998.

The District's deposits are categorized to give an indication of the level of risk assumed 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'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 trust company, or by its trust department or agent, but not in the District's name.

Collateral Description	1	2	3	Carrying Value	Market Value
F.I.C. Insurance	\$20,000			\$20,000	\$20,000
Secured by Pledge of U.S. Treasury Note			28,041	28,042	130,172
Totals	20,000		28,041	48,042	150,172

III. LRYVED TAXES

In a special election on November 18, 1989, the voters of the District approved a levy of up to ten mills annually on property within the district for a period of ten years, beginning with the year 1990, for the purpose of acquiring, constructing, improving, maintaining and operating fire protection facilities and equipment. Property taxes were levied based on the values returned by the Webster Parish Tax Assessor at a rate of 0.64 mills for 1998.

(Continued)

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6

Notes to Financial Statements
December 31, 1998

3. LEVIED TAXES: (Continued)

Property taxes accrue as assessable lien on property as of January 1, of each year. All ad valorem taxes are recorded as receivables and revenue in the year assessed. All ad valorem taxes receivable at December 31, 1998, are \$102,292.

4. CHANGES IN GENERAL FIXED ASSETS

The changes in general fixed assets are as follows:

	Balance January 1, 1998	Additions	Balance December 31, 1998
Land	10,100	9,000	19,100
Buildings	35,184	8,170	43,354
Equipment	80,914	24,070	104,984
Volunteers	294,000	11,400	305,400
Total	520,208	53,640	573,848

5. FEES PAID TO BOARD MEMBERS AND RELATED PARTY TRANSACTIONS:

Webster Parish Fire Protection District No. 6 has a 3 member voluntary board. The board members were paid a per diem, the treasurer was paid a salary, and the boardmembers and treasurer were reimbursed for out of pocket expenses and/or volunteer benefits as follows:

	1998		
	Commissioners Fees and Salary	Reimbursed Expenses	Fire Costs
D. T. Powell	800	49	751
L. Williams	800		
Leslie Newton	800		
Water Districty	680		
J. Dejeu	680		
Harold Nicks, Treasurer	3,200	95	
	6,080	144	751

(Continued)

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6

Notes to Financial Statements
December 31, 1998

6. LEASES:

The District entered into an operating lease effective July 1, 1995, with the Town of Dulac, Louisiana, for office space and rental of a fire station. The annual rental payment is \$1,800 per year with no related expenditures. The maximum under this lease for 1998 totals \$1,800.

7. COMMITMENTS AND CONTINGENT LIABILITIES:

The Fire District is a party to various legal actions normally 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.

8. SUBSEQUENT EVENTS, CONTINGENCY, YEAR 2000 COMPUTER GLITCH:

Management is aware of the Year 2000 Computer Problem (Y2K) and is taking the following steps:

- a. Assessment of the problem indicates a potential for shutdown in the following area:
 1. General ledger accounting system
- b. Management has verified that the computer hardware is Year 2000 compatible and plans to spend approximately \$110,000 during the year ended December 31, 1999 to upgrade the software to a version that is Year 2000 compatible.

Jim H. Stevens, Jr. & Company, L.L.P.

Certified Public Accountants

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Springhill, Louisiana 70075

Jim H. Stevens, Jr., CPA

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Bright L. Pugh, CPA

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

Members of the Board of Commissioners
Webster Parish Fire Protection District No. 5
Culter, Louisiana

We have audited the component unit financial statements and the combining, individual fund, and account group financial statements of Webster Parish Fire Protection District No. 5, a component unit of the Webster Parish Police Jury, for the year ended December 31, 1998, and have issued our report thereon dated July 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining assurance over more about whether Webster Parish Fire Protection District No. 5'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 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 no instances of noncompliance that appeared to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item 98-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Webster Parish Fire Protection District No. 5'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 a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention 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 No. 5's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 98-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that we also considered to be areas of weaknesses. We believe the finding listed in the schedule of findings and questioned costs to be a material weakness.

This report is intended for the information of the legislative auditor, management and the Webster Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

J. D. Thomas, Jr., C.P.A.
Certified Public Accountant

May 28, 1998

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6

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

98-1: The majority of all accounting functions are performed by one person.

Reportable conditions identified and considered to be material weaknesses? No

Federal Awards

Not applicable

Section II - Financial Statement Findings

98-1:

Condition: As reported in the past, due to the small size of the district and the related economies and space limitations, the majority of all accounting functions are performed by one person.

Recommendation: None

Management's response: We agree with the condition noted, however, the addition of more accounting personnel to overcome the situation is not cost effective.

Section III - Federal Award Findings and Questioned Costs

Not applicable