

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

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FINANCIAL STATEMENTS

December 31, 1995

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Release Date 8-7-96

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

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

Certified Public Accountants

209 Church Street
Springhill, Louisiana 71075

Jim H. Stevens, Jr., CPA

Bill W. Smith, CPA

Dwight L. Pugh, CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose 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, 1995, as listed in the table of contents. These general purpose financial statements are the responsibility of the Webster Parish Fire Protection District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Webster Parish Fire Protection District No. 11, as of December 31, 1995, 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 10, 1996 on our consideration of Webster Parish Fire Protection District No. 11 internal control structure and a report dated June 10, 1996 on its compliance with laws and regulations.


Certified Public Accountants

June 10, 1996

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1995

	<u>Governmental Fund</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>General Fixed Assets</u>	<u>General Long-term Debt</u>	<u>December 31, 1995</u>
Assets and Other Debits:				
Cash	96,104			96,104
Accounts receivable:				
City of Springhill	9,513			9,513
Service fees - net of allowance for uncollectible accounts	405			405
Fixed assets		303,418		303,418
Other debits:				
Amount to be provided for certificate of indebtedness and for capital lease			155,741	155,741
Total assets and other debits	<u>106,022</u>	<u>303,418</u>	<u>155,741</u>	<u>565,181</u>
 Liabilities, Equity and Other Credits:				
Liabilities:				
Accounts payable	713			713
Accrued expenses	87			87
Certificate of indebtedness			14,853	14,853
Capital lease			140,888	140,888
Total liabilities	<u>800</u>		<u>155,741</u>	<u>156,541</u>
Equity and other credits:				
Investment in general fixed assets		303,418		303,418
Fund balance:				
Unreserved/undesignated	105,222			105,222
Total equity and other credits	<u>105,222</u>	<u>303,418</u>		<u>408,640</u>
Total liabilities, equity and other credits	<u>106,022</u>	<u>303,418</u>	<u>155,741</u>	<u>565,181</u>

See accompanying notes to 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, 1995

	<u>General</u>
Revenues:	
Fire and rescue service fees	126,224
Fire insurance premium rebate	12,903
Intergovernmental revenues:	
Webster Parish Police Jury	2,850
United States Department of Agriculture	987
Contributions	231
Fund Raiser - Net of Costs	3,128
Interest	1,646
Total revenues	147,969
Expenditures:	
Current:	
General government	62,081
Capital outlay:	
Current expenditures	26,703
Debt service:	
Principal	32,395
Interest	13,235
Total expenditures	134,414
Excess of revenues over expenditures	13,555
Fund balance at beginning of year	91,667
Fund balance at end of year	105,222

See accompanying notes to 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, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Fire and rescue fees	126,816	126,224	(592)
Fire insurance premium rebate	12,903	12,903	
Intergovernmental revenues:			
Webster Parish Police Jury	2,850	2,850	
United States Department of Agriculture	1,055	987	(68)
Contributions	231	231	
Fund Raiser - Net of Costs		3,128	3,128
Interest	<u>1,788</u>	<u>1,646</u>	<u>(142)</u>
Total revenues	<u>145,643</u>	<u>147,969</u>	<u>2,326</u>
Expenditures:			
Current:			
General government	62,227	62,081	146
Capital outlay:			
Current expenditures	59,196	26,703	32,493
Debt Service:			
Principal	32,395	32,395	
Interest	<u>13,235</u>	<u>13,235</u>	
Total expenditures	<u>167,053</u>	<u>134,414</u>	<u>32,639</u>
Excess (deficiency) of revenues over (under) expenditures	(21,410)	13,555	34,965
Fund balance at beginning of year	<u>91,667</u>	<u>91,667</u>	
Fund balance at end of year	<u><u>70,257</u></u>	<u><u>105,222</u></u>	<u><u>34,965</u></u>

See accompanying notes to financial statements.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

Notes to Financial Statements
December 31, 1995

The Webster Parish Fire Protection District No. 11 (the District) was created by the Webster Parish Police Jury by resolution on June 4, 1991, as provided under Louisiana Revised Statutes 40:1491 through 40:1501. 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying general purpose financial statements of Webster 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 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 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, taxing authority, authority to issue 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 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 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 was determined to be a component unit of the Webster Parish Police Jury, the financial reporting entity. The accompanying general purpose 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 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 fixed assets and the servicing of general long-term debt and all operating activities.

(Continued)

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

Notes to Financial Statements
December 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fixed Assets and Long-term Liabilities. The accounting and reporting treatment applied to the fixed 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 "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

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

All fixed assets are stated at historical cost, or estimated cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

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 present 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.

Budget. A budget for the ensuing 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 budgets. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. The budget was amended in 1995.

Compensated Absences and Pension Plan. The District has only 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. 11

Notes to Financial Statements
December 31, 1995

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 at amounts received from the City, which are net of any losses from bad debts. 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 \$280 at December 31, 1995.

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

2. CASH:

At December 31, 1995, the carrying amount of the District's cash deposits total \$96,104 and the bank balance was \$94,943. The deposits are in a demand deposit and a savings account. Under state law, the deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 1995, the District has \$94,943 in deposits, which are fully secured from risk by federal deposit insurance.

3. FIRE SERVICE CHARGES:

On October 19, 1992, 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 for those residents of the District who are not on city water.

4. CHANGES IN GENERAL FIXED ASSETS:

The changes in general fixed assets are as follows:

	Balance January 1, 1995	Additions	Balance December 31, 1995
Equipment	54,868	18,203	73,071
Vehicles	33,895	8,500	42,395
Capital Lease - Vehicle	187,952		187,952
Total	276,715	26,703	303,418

(Continued)

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

Notes to Financial Statements
December 31, 1995

5. 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. One board member receives a salary for serving the District as secretary/treasurer. Board members are 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 fires and emergency calls actually attended for the year. A summary of these expenditures are as follows:

	Salary	Reimbursed Expenses	Calls
Ernest Edwards	-	85	1,169
David Camp	3,230	-	1,015
Todd Winkler	-	-	-
Terry Shelton	-	-	-
Terry Wallace	-	-	-

6. LONG-TERM DEBT:

General Long-term Debt:

On May 6, 1994, the District issued a Certificate of Indebtedness, Series 1994, in the principal amount of \$30,000 to acquire a rescue truck and equipment. The certificate is payable in 36 monthly installments of \$913, with interest at 6%. The following is a summary of total annual payments necessary to service this debt at December 31, 1995:

1996	10,952
1997	4,563
Total payments	15,515
Less:-amount representing interest	662
	14,853

Leases:

The District records items 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, 1995:

1996	34,678
1997	34,678
1998	34,678
1999	34,678
2000	34,678
Total minimum lease payments	173,390
Less:-amount representing interest	32,502
Present value of future minimum payments	140,888

(Continued)

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 11

Notes to Financial Statements
December 31, 1995

6. LONG-TERM DEBT: (Continued)

The District entered into a five-year operating lease effective January 1, 1993, 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:

1996		2
1997		2
Total		4

The current year expenditure under the lease is \$2.

Changes in Long-term Debt:

The following is a summary of changes in long-term debt for the year ended December 31, 1995:

	Balance January 1,	Principal Payments	Balance December 31,
Capital lease	163,555	22,667	140,888
Certificate of indebtedness	24,581	9,728	14,853
	188,136	32,395	155,741

7. FEDERAL FINANCIAL ASSISTANCE:

During the year, the District applied for and received a grant from the United States Department of Agriculture, Forest Service through the Louisiana Department of Agriculture and Forestry. The grant totaling \$987 was matched with \$998 in district funds and the funds were expended for equipment in accordance with the requirements of the grantor.

8. 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.

9. SUBSEQUENT EVENTS:

Subsequent to year-end, the District entered into an agreement whereby it will furnish fire and rescue services for the residents of the Welcome/South Columbia Fire District. It is anticipated that in excess of 80 additional residences and businesses can be served with no deterioration in services presently provided to residents of the District.

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

Certified Public Accountants

209 Church Street
Springhill, Louisiana 71075

Jim H. Stevens, Jr., CPA

Bill W. Smith, CPA

Dwight L. Pugh, CPA

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the general purpose financial statements of Webster Parish Fire Protection District No. 11, a component unit of the Webster Parish Police Jury, for the year ended December 31, 1995, and have issued our report thereon dated June 10, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

The management of Webster Parish Fire Protection District No. 11, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Webster Parish Fire Protection District No. 11, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Finding	As reported in the past, due to the small size of the district and the related economic and space limitations, 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 limitations.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We consider the reportable condition described above to also be a material weakness.

This report is intended for the information of management, and applicable federal, state and parish agencies. However, this report is a matter of public record, and its distribution is not limited.

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

June 10, 1996

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

Certified Public Accountants

209 Church Street
Springhill, Louisiana 71075

Jim H. Stevens, Jr., CPA

Bill W. Smith, CPA

Dwight L. Pugh, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN
AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

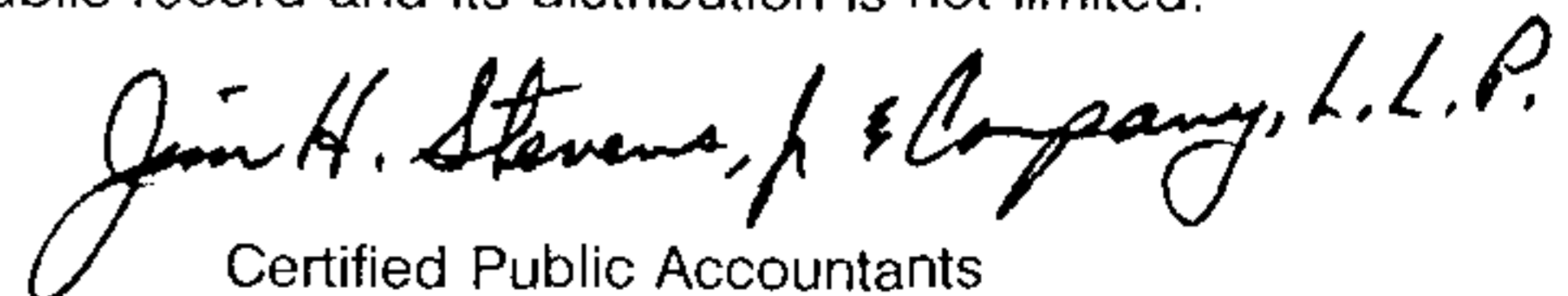
We have audited the general purpose financial statements of Webster Parish Fire Protection District No. 11, a component-unit of the Webster Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 10, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Webster Parish Fire Protection District No. 11, is the responsibility of the Fire District's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Fire District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management, and applicable federal, state and parish agencies. However, this report is a matter of public record and its distribution is not limited.


Certified Public Accountants

June 10, 1996