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PINE COUNTRY EDUCATION CENTER  
DISTRICT  
Minden, Louisiana

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The 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 9-1-04

General Purpose Financial Statements  
As of and for the Year Ended December 31, 2003  
With Supplemental Information Schedules

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# JAMIESON, WISE & MARTIN

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MEMBERS

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

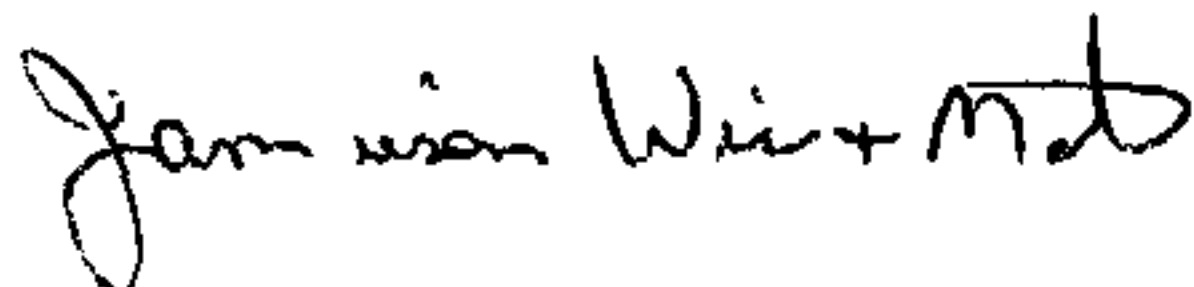
## ACCOUNTANTS' COMPILATION REPORT

Pine Country Education Center District  
Minden, Louisiana

We have compiled the accompanying general purpose financial statements as listed in the table of contents of the Pine Country Education Center District, component unit of the Webster Parish Police Jury, as of and for the year ended December 31, 2003, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated June 24, 2004, on the results of our agreed-upon procedures.



Minden, Louisiana  
June 24, 2004

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## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Commissioners of the  
Pine Country Education Center District

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Pine Country Education Center District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Pine Country Education District's compliance with certain laws and regulations for the year ended December 31, 2003 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### **Public Bid Law**

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

For the year ended December 31, 2003, no expenditures were made for materials, supplies or public works that were in violation of the public bid law.

### **Code of Ethics for Public Officials and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

There were no employees paid during the period under examination.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

This agreed-upon procedure is not applicable since there were no employees paid during the periods under examination.

### ***Budgeting***

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

No budget was adopted for the year ending December 31, 2003. A total project budget for the construction of a firefighting training facility was approved on April 25, 2002.

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

No budget was adopted for the year ending December 31, 2003. A total project budget for the construction of a firefighting training facility was approved on April 25, 2002.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

No budget was adopted for the year ending December 31, 2003, therefore, no Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual is presented. Management's response is included in the accompanying Corrective Action Plan for Current Year Findings.

### ***Accounting and Reporting***

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Chairman and the Treasurer of the Board of Commissioners.

### **Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Pine Country Education Center District is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than unmarked copies of the notice and agenda.

### **Debt**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We examined supporting documentation for all bank deposits for the period under examination and noted no deposits, which appeared to be proceeds of bank loans, bonds, or like indebtedness.

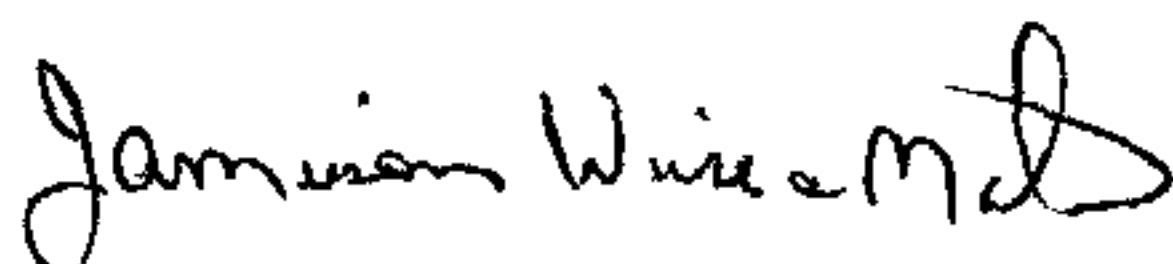
### **Advances and Bonuses**

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

This agreed-upon procedure is not applicable since there were no employees paid during the periods under examination.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Pine Country Education Center District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Minden, Louisiana  
June 24, 2004

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**

December 5, 2003 (Date Transmitted)

Jamieson, Wise & Martin, APAC  
601 Main Street  
Minden, LA 71055  
\_\_\_\_\_  
\_\_\_\_\_  
(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..  
Yes [] No [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.  
Yes [] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.  
Yes [] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.  
Yes [] No [ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.  
Yes [] No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.  
Yes [] No [ ]



We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.  
Yes [] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.  
Yes [] No [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.  
Yes [] No [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.  
Yes [] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
_____	President	12-23-07	Date

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.



PINE COUNTRY EDUCATION CENTER DISTRICT  
WEBSTER PARISH POLICE JURY  
Minden, Louisiana

Balance Sheet - All Fund Types and Account Groups  
December 31, 2003

	<u>Governmental Fund Type</u>	<u>Account Group</u>	
	<u>General Fund</u>	<u>General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,430	\$ -	\$ 10,430
Investments	559,945	-	559,945
Construction in progress	<u>-</u>	<u>224,658</u>	<u>224,658</u>
 Total assets	 <u>\$ 570,375</u>	 <u>\$ 224,658</u>	 <u>\$ 795,033</u>
 <b>LIABILITIES</b>			
Accounts Payable	<u>\$ 1,707</u>	<u>\$ -</u>	<u>\$ 1,707</u>
 Total liabilities	 <u>1,707</u>	 <u>-</u>	 <u>1,707</u>
 <b>EQUITY, AND OTHER CREDITS</b>			
<i>Equity and Other Credits:</i>			
Unreserved	\$ 568,668	\$ -	\$ 568,668
Investment in general fixed assets	<u>-</u>	<u>224,658</u>	<u>224,658</u>
 Total equity and other credits	 <u>568,668</u>	 <u>\$ 224,658</u>	 <u>\$ 793,326</u>
 Total liabilities, equity, and other credits	 <u>\$ 570,375</u>	 <u>\$ 224,658</u>	 <u>\$ 795,033</u>

The accompanying notes are an integral part of these financial statements.

PINE COUNTRY EDUCATION CENTER DISTRICT  
 WEBSTER PARISH POLICE JURY  
 Minden, Louisiana  
 GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended December 31, 2003

	<u>General Fund</u>
<b>Revenues:</b>	
Intergovernmental revenue:	
State of Louisiana Appropriations	\$ 70,000
Webster Parish Police Jury	20,000
Donations	-
In-kind contributions	14,333
Interest	<u>5,631</u>
Total revenues	<u>109,964</u>
<b>Expenditures:</b>	
Insurance	510
Rent	400
Office expense	-
Legal and professional	1,450
Meetings	-
Grant expense	1,024
Capital outlay - buildings	<u>35,203</u>
Total expenditures	<u>38,587</u>
Excess (deficiency) of revenues over expenditures	<u>71,377</u>
Fund balance at beginning of year	<u>497,291</u>
Fund balance at end of year	<u>\$ 568,668</u>

The accompanying notes are an integral part of these financial statements.

Pine Country Education Center District  
Minden, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2003

## INTRODUCTION

The Webster Parish Police Jury established the Pine Country Education Center District on June 12, 2001 pursuant to Louisiana Revised Statute 40:1551 through 1555. The purpose of the district is to maintain and operate a well-equipped educational and training institution or facility to teach and train fire fighting and emergency services personnel. The board of commissioners consists of five unpaid members, all of whom are qualified voters of Webster Parish and appointed by the Webster Parish Police Jury. Each board member serves a three-year term.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Pine Country Education Center District have been prepared in conformity with generally accepted accounting principles (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

The district is a component unit of the Webster Parish Police Jury, the financial reporting entity. The Webster Parish Police Jury is financially accountable for the district because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds 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.

#### C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Pine Country Education Center District  
Minden, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2003

Funds of the district are classified as governmental funds. Governmental funds account for the district's 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. Governmental funds of the district include:

1. General Fund--the general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Contributions and grants are recognized when received.

**Expenditures**

Expenditures are reported when incurred.

**E. BUDGETS**

The district uses the following budget practices:

The district adopted a total project budget for the construction costs of a firefighting training center. The budgeted project costs are as follows:

**EXPENDITURES**

Estimated Construction Costs	\$1,300,121
Contingency	104,010
Professional Fees	108,742
Additional Services or Owner Supplied Items	<u>110,300</u>
Total Expenditures	\$1,623,173

Pine Country Education Center District  
Minden, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2003

**F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**G. INVESTMENTS**

Investments are limited by R.S. 33:2955 and the District's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments are reported at fair value, which is determined using selected bases in accordance with GASB Statement No. 31. Short-term investments are reported at amortized cost, which approximates fair value. Long-term investments, those with original maturities greater than one (1) year, are valued at the last reported sales price at current exchange rates.

**H. ENCUMBRANCES**

The district does not use the encumbrance system to keep track of outstanding purchase commitments that have not yet resulted in liabilities.

**I. FIXED ASSETS**

The fixed assets used in the Governmental Fund Type operations are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. No depreciation has been provided on general fixed assets. Public domain and infrastructures are not capitalized. Fixed assets are valued at historical cost or estimated historical cost if historical cost is not available.

**J. LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

Pine Country Education Center District  
Minden, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2003

**K. TOTAL COLUMNS ON STATEMENTS**

The total columns on the statements are captioned "Memorandum 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.

**L. MANAGEMENT'S USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Construction site improvements performed by the Louisiana National Guard on behalf of the district have been shown as an in-kind contribution of \$14,333. This amount was estimated based on the difference between the traditional cost of construction and the estimated construction costs to be paid by the district.

**2. CASH AND CASH EQUIVALENTS**

At December 31, 2003 the district has cash and cash equivalents (book balances) totaling \$10,430 in interest bearing demand.

These deposits are stated at cost, which approximates market. Under state law, these 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. 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 December 31, 2003, the district has \$11,339 in deposits (collected bank balances). These deposits are secured from risk by \$11,339 of federal deposit insurance.

**3. INVESTMENTS**

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the district or its agent in the district's name.



Pine Country Education Center District  
Minden, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2003

2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the district's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the district's name.

At December 31, 2003, the district's investment balance consisted of certificates of deposit (Category 3) reported at an amortized cost of \$559,945, which approximates fair value.

The certificate of deposit is secured from risk by \$88,661 of federal deposit insurance and by \$515,114 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

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 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

**4. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance January 1, <u>2003</u>	<u>Additions</u>	Balance December 31, <u>2003</u>
Construction in progress	<u>\$189,455</u>	<u>\$ 35,203</u>	<u>\$ 224,658</u>

**5. COOPERATIVE ENDEAVOR AGREEMENT**

On September 4, 2003, the district entered into a cooperative endeavor agreement with the Louisiana Military Department for the free use of approximately 30.88 acres of land licensed to the Louisiana Military Department by the federal government. The term of the lease is twenty-five years with an option to renew the lease under the same terms and conditions, at no additional cost, for an additional twenty-five year period. The property is to be used as the site of construction for a firefighting training facility that will be owned by the district. However, the possibility exists that at some point in the future the United States could revoke the Louisiana Military Department's authority to utilize the land, therefore jeopardizing the district's use of the land.



PINE COUNTRY EDUCATION CENTER DISTRICT  
Minden, Louisiana  
Schedule of Compensation Paid Board Members  
For the Year Ended December 31, 2003

The following serve on the Board of Commissioners without compensation:

R.O. Machen	Chairman
Sherb Sentell, III	Commissioner
Herb Byars	Commissioner
Charles Walker	Commissioner
Stewart Beatty	Commissioner

Pine Country Education Center District  
Minden, Louisiana

Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2003

**A. Summary of Audit Results**

1. The auditor's report includes an unqualified opinion on the general purpose financial statements of the Pine Country Education Center District for the nineteen months ended December 31, 2002.
2. Two instances of noncompliance material to the financial statements were disclosed during the audit.

Finding 02-01 – Budget Requirements

*Condition:* The district adopted a project budget for the total cost of construction for a firefighting training facility.

*Resolved –* Partially, although a budget for the total construction project has been adopted the District has not adopted yearly budgets as required by LSA-RS 39:1301-15. A similar finding is included in the Corrective Action Plan for Current Year Findings.

Finding 02-02 – Pledged Securities

*Condition:* At December 31, 2002, a certificate of deposit in the amount of \$353,643 was inadequately secured by \$321,718 due to the reduction in value of the mortgage backed security that was pledged.

*Resolved:* Yes, the pledged securities report as provided by the District's financial institution failed to include a security with a market value of \$329,292, which adequately secured the above certificate of deposit. Therefore, this should not have been a finding at December 31, 2003. As of December 31, 2003 all bank deposits were adequately secured.

3. No reportable conditions relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control.
4. No management letter comments were issued.

Pine Country Education Center District  
Minden, Louisiana

Corrective Action Plan for Current Year Findings  
For the Year Ended December 31, 2003

**Agreed Upon Procedures Findings**

2003-1 – Budgeting

*Finding:* A total project budget for the construction of a firefighting training facility was approved on April 25, 2002. However, for the year ended December 31, 2003 a budget was not adopted as required by LA RS 39:1301-1316.

*Management's Response/Corrective Action Planned:* The Board of Pine Country Education Center District is fortunate to have the assistance of the Louisiana Army National Guard to prepare the dirt work for the construction project at minimal cost to the District. The Guard has been deployed several times during the last several years and has slowed their work on the Pine Country Education Center District. At the time dirt work is completed, the Board will adopt a new budget and will operate under the original construction budget of April 25, 2002 until that time. We anticipate this to be in 2005.

*Name of Contact Person(s):* R.O. Machen