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WEBSTER FIRE PROTECTION DISTRICT #1
ANNUAL FINANCIAL STATEMENTS
DECEMBER 31, 2002

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 5/21/03

WEBSTER PARISH FIRE PROTECTION DISTRICT #1
Financial Report
Year Ended December 31, 2002

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WM. PEARCE JAMIESON, C.P.A. (1991)

MEMBERS

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

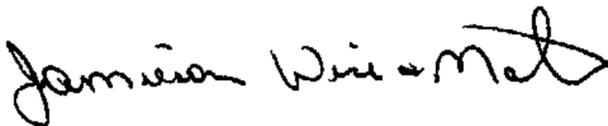
ACCOUNTANTS' COMPILATION REPORT

The Board of Commissioners
Webster Parish Fire Protection District #1
Evergreen, Louisiana

We have compiled the accompanying basic financial statements of the Webster Parish Fire Protection District #1 as of December 31, 2002 and for the year then ended, 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 of the Webster Parish Fire Protection District #1. We have not audited or reviewed the accompanying basic 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 April 22, 2003, on the results of our agreed-upon procedures.



Minden, Louisiana
April 22, 2003

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners
Webster Parish Fire Protection District #1
Evergreen, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Webster Parish Fire Protection District #1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Webster Parish Fire Protection District's compliance with certain laws and regulations during the year ended December 31, 2002, 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 materials 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, 2002, there were no expenditures made for materials and supplies or public works that exceeded the above mentioned amounts.

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 42:1101-1224 (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.

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

The Fire Protection District does not have any employees.

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.

The Fire Protection District does not have any employees.

Budgeting

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

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

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

We traced the adoption of the original budget to the minutes of a meeting held April 4, 2002 which indicated that the budget had been unanimously adopted by the commissioners. No amendments were made to the 2002 budget during the fiscal year ended December 31, 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 more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues failed to meet budgeted revenues by 7%.

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 for five out of the six selected, found that payment was for the proper amount and made to the correct payee. For one disbursement made to Home Depot, supporting documentation could not be located.

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

The payments were properly coded to the correct fund and general ledger accounts with the exception of the disbursement in which supporting documentation could not be

located. Since there was no supporting documentation, it could not be determined if it was properly coded.

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

We examined supporting documentation for each of the six disbursements. The disbursements were approved by the commissioners at each meeting with the exception of the disbursement in which supporting documentation could not be located. Since there was no supporting documentation, it could not be determined if it was properly approved.

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).

Agendas and notices for meetings appear to have been posted and advertised as required.

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 inspected copies of all bank deposit slips for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness.

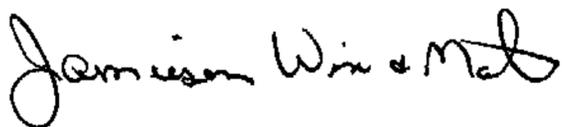
Advances and Bonuses

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

The Fire Protection District does not have any employees

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 the Webster Parish Fire Protection District #1 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
April 22, 2003

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
_____ (Date Transmitted)

JAMILSON WISE & MARTIN
P.O. BOX 897
MINDEN, LA 71058-0897

(Auditors)

December 31, 2002

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)~~. April 22, 2003

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.

<u>Peggy D. Blackburn</u>	Secretary	<u>1-27-03</u>	Date
<u>Peggy D. Blackburn</u>	Treasurer	<u>1-27-03</u>	Date
<u>W. Wayne K. Pasteris</u>	CHAIRMAN President	<u>1/5/03</u>	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.

GENERAL PURPOSE FINANCIAL STATEMENTS

Webster Parish Fire Protection District #1
 Combined Balance Sheet - All Fund Types
 December 31, 2002
 With Comparative Totals for December 31, 2001

	Governmental Fund Type Special Revenue	Totals (Memorandum Only)	
		2002	2001
ASSETS			
Cash and cash equivalents	\$ 1,570	1,570	1,235
A/R - advalorem taxes	<u>53,212</u>	<u>53,212</u>	<u>50,056</u>
Total Assets	<u>\$ 54,782</u>	<u>54,782</u>	<u>51,291</u>
 LIABILITIES AND FUND BALANCE			
Pension payable - advalorem	\$ 1,910	1,910	1,828
Deferred revenues	<u>2,483</u>	<u>2,483</u>	<u>-</u>
Total Liabilities	<u>4,393</u>	<u>4,393</u>	<u>1,828</u>
Fund Equity:			
Fund Balance	<u>50,389</u>	<u>50,389</u>	<u>49,463</u>
Total Liabilities and Fund Balance	<u>\$ 54,782</u>	<u>54,782</u>	<u>51,291</u>

See accompanying notes and accountants' report.

Webster Parish Fire Protection District #1
Statement of Revenues, Expenditures and Changes
in Fund Balance- All Governmental Fund Types
For the Year Ended December 31, 2002
With Comparative Totals for the Year Ended December 31, 2001

	<u>Governmental Fund Type Special Revenue</u>	<u>Totals (Memorandum Only)</u>	
		<u>2002</u>	<u>2001</u>
Revenues:			
Ad valorem taxes	\$ 52,329	52,329	50,056
Interest	<u>92</u>	<u>92</u>	<u>130</u>
Total revenue	<u>52,421</u>	<u>52,421</u>	<u>50,186</u>
Expenditures:			
Fire protection- Evergreen Volunteer Fire Dept.	49,584	49,584	50,121
Tax assessor fees	<u>1,911</u>	<u>1,911</u>	<u>1,828</u>
Total expenditures	<u>51,495</u>	<u>51,495</u>	<u>51,949</u>
Excess (deficiency) of revenues over expenditures	926	926	(1,763)
Fund balance, beginning	<u>49,463</u>	<u>49,463</u>	<u>51,226</u>
Fund balance, ending	<u>\$ 50,389</u>	<u>50,389</u>	<u>49,463</u>

See accompanying notes and accountants' report.

Webster Parish Fire Protection District #1
Governmental Fund Type - Special Revenue
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Cash Basis) and Actual
For the Year Ended December 31, 2002
With Comparative Actual Amounts for the Year Ended December 31, 2001

	2002			2001 Actual
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	
Revenues:				
Ad valorem taxes	\$ 52,194	48,449	(3,745)	53,021
Interest	-	92	92	130
Total Revenue	<u>52,194</u>	<u>48,541</u>	<u>(3,653)</u>	<u>53,151</u>
Expenditures:				
Fire Protection- Evergreen Volunteer Fire Dept.	52,194	47,848	4,346	50,121
Tax assessor fees	-	1,829	(1,829)	1,894
Total Expenditures	<u>52,194</u>	<u>49,677</u>	<u>2,517</u>	<u>52,015</u>
Excess (deficiency) of revenues over expenditures	-	(1,136)	(1,136)	1,136
Fund Balance, beginning	<u>1,236</u>	<u>1,236</u>	-	<u>100</u>
Fund Balance, ending	<u>\$ 1,236</u>	<u>100</u>	<u>(1,136)</u>	<u>1,236</u>

See accompanying notes and accountants' report.

Webster Parish Fire Protection District #1

Notes to Financial Statements
December 31, 2002

1. The Webster Parish Fire Protection District #1 was created by resolution of the Webster Parish Police Jury in August 1980. The Webster Parish Police Jury served as the governing authority for the District until May 1987. In May 1987, the Claiborne Parish Police Jury created the Evergreen Fire Protection District in Claiborne Parish. At that time, the Webster Parish Police Jury passed a new resolution to coincide with the Claiborne Parish resolution. A Board of Commissioners was established consisting of two commissioners appointed by each police jury and a fifth commissioner appointed by those four. The fifth commissioner also serves as chairman of the board.

The Evergreen Volunteer Fire Department was established as a not-for-profit corporation in January 1987.

In May 1987, the Webster Parish Fire Protection District #1 entered into an agreement with the Evergreen Volunteer Fire Department. The Department agreed to provide fire protection for the District in consideration of all of the ad valorem taxes collected by the District. The agreement is for an indefinite time, cancelable by either party on six months' notice.

The significant accounting policies followed by the Webster Parish Fire Protection District #1 in preparation of the accompanying financial statements are set forth below.

- A. Basis of accounting - The modified accrual basis of accounting is used by the Webster Parish Fire Protection District #1. Under the modified accrual basis of accounting revenues are recognized when they become measurable and available as net current assets and expenditures are recognized when the liability occurs.
- B. Expenditures - Expenditures are approved to be paid by the Board at the board meetings.
- C. Taxes - District property taxes are levied and collected by the parish tax collectors. Property tax revenues are recognized as revenues when measurable and available.
- D. Budgets and budgetary accounting - The District follows these procedures in establishing the budgetary data reflected in these financial statements: (1) The Chairman of the Board prepares a budget and submits to the Board of Commissioners, (2) The budget is adopted

Webster Parish Fire Protection District #1

Notes to Financial Statements
December 31, 2002

through passage of a resolution by the Board of Commissioners, (3) All budgetary appropriations lapse at the end of each fiscal year.

2. Ad Valorem Taxes

The District has a levy of 16.89 mill ad valorem tax. Taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31.

3. Memorandum Totals

The total columns in the financial statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation.

4. Cash

Cash is fully secured as of December 31, 2002. The bank balance at December 31, 2002 was \$1,570.

5. Related Parties

The Webster Parish Fire District #1 has a working relationship with the Evergreen Volunteer Fire Department. The Fire District collects the ad valorem taxes and transfers the money as needed to the Fire Department, which maintains fire protection services in the area.

6. Prior period adjustment

The Webster Parish Fire District #1 has adopted Governmental Accounting Standards Board (GASB) Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions." GASBS No. 33, established standards for all governments with nonexchange transactions by providing four broad categories or classes of nonexchange transactions and the appropriate requirement for recognizing revenues in the financial statements for each category. Nonexchange transactions are generally transactions where the District either gives a benefit to another party without receiving an equal benefit or by receiving a benefit without directly giving equal value. An example of a nonexchange transaction received by the District is ad valorem taxes.

Webster Parish Fire Protection District #1

Notes to Financial Statements
December 31, 2002

The adoption of GASBS No. 33 as it applies to recognizing nonexchange revenues of the District requires that accounting changes to implement the statement be treated as an adjustment of prior periods.

A restatement of the beginning fund balance for the year ended December 31, 2001 was recognized in the financial statements as follows:

Fund balance, as originally reported as of December 31, 2001	\$ 100
Restated ad valorem tax revenues recognized as of Dec. 31, 2001 due to adoption of GASBS No. 33	53,020
Restate tax assessor fees expense recognized as of Dec. 31, 2001 due to Adoption of GASBS No. 33	<u>(1,894)</u>
Fund balance, restated as of December 31, 2001	\$ <u>51,226</u>

SUPPLEMENTAL INFORMATION SCHEDULES

WEBSTER PARISH FIRE PROTECTION DISTRICT #1

Schedule of Compensation Paid Board Members

For the Year Ended December 31, 2002

The following serve on the Board of Commissioners without compensation:

W. Wayne Kilpatrick	Chairman
Peggy T. Blackwell	Secretary/Treasurer
Arthur Spene	Commissioner
Robert G. Johnston	Commissioner
Buddy D. Thomas	Commissioner

WEBSTER PARISH FIRE PROTECTION DISTRICT #1

Schedule of Current Year Findings
As of and For the Year Ended December 31, 2002

Agreed Upon Procedures Attestation/Compilation

The following findings were noted concerning the agreed upon procedures that were included in the *Louisiana Government Audit* guide for the year ended December 31, 2002.

02-1 – BUDGETING

Condition: During the year, the budget was not amended to reflect and plan for changes in revenues and expenditures. As a result, budgeted revenues exceeded actual revenues by 7%. The Fire Protection District failed to monitor revenues and control expenditures during the year as required by LSA-R.S. 39:1310.

Recommendation: We recommend that the Webster Parish Fire Protection District #1 periodically review income and expenses during the year to better monitor revenues and control expenditures. The budget for the District should be amended as needed to reflect changes in the District's financial estimates.

02-2 – EXPENDITURES

Condition: Supporting documentation for one of the six disbursements selected for examination could not be located. Without the supporting documentation, we could not determine if the expenditure was for the proper amount, if the payment was correctly coded to the ledger, or if the expenditure received proper approval.

Recommendation: We recommend that the Webster Parish Fire Protection District #1 take steps to ensure that all expenditures have proper supporting documentation.

WEBSTER PARISH FIRE PROTECTION DISTRICT #1

Summary of Prior Year Findings As of and for the Year Ended December 31, 2001

01-1 – BUDGETING

Condition: The Fire Protection District did not formally adopt a budget for the year ended December 31, 2001 in accordance with LSA-R.S. 39:1308.

Corrective Action Taken: For the year ended December 31, 2002, a budget was formally adopted once notified of the requirement.

01-2 – BUDGETING

Condition: During the year, the budget was not amended to reflect and plan for changes in revenues and expenditures. As a result, actual revenues exceeded budgeted revenues by 113% and actual expenditures exceeded budgeted expenditures by 108%. The Fire Protection District failed to monitor revenues and control expenditures during the year as required by LSA-R.S. 39:1310.

Corrective Action Taken: For the year ended December 31, 2002, a similar finding is noted however, according to RS 39:1311(B) the district is not required to amend the budget since the revenue falls under the threshold of \$250,000

WEBSTER PARISH FIRE PROTECTION DISTRICT #1

Corrective Action Plan December 31, 2002

The Webster Parish Fire Protection District #1 submits the following corrective action plan for the year ended December 31, 2002 for the Schedule of Current Year Findings that are required to be reported. The findings are numbered consistently with the numbers assigned in the schedule.

FINDING 02-1 – BUDGETING

Recommendation: We recommend that the Webster Parish Fire Protection District #1 periodically review income and expenses during the year to better monitor revenues and control expenditures. The budget for the District should be amended as needed to reflect changes in the District's financial estimates.

Corrective Action taken: According to RS 39:1311(B), the district is not required to amend the budget since revenues fall under the \$250,000 threshold.

FINDING 02-2 –EXPENDITURES

Recommendation: We recommend that the Webster Parish Fire Protection District #1 take steps to ensure that all expenditures have proper supporting documentation.

Corrective Action Taken: The District recognizes the importance of maintaining supporting documentation for all expenditures and will make a concerted effort to maintain such documentation.