

**Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Financial Statements  
and  
Report on Agreed – Upon Procedures  
As of and For the Year Ended December 31, 2017**

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana

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## Independent Accountants' Review Report

To the Board of Commissioners  
Webster Parish Fire Protection District No. 6  
Cullen, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and major fund of the Webster Parish Fire Protection District No. 6, a component unit of the Webster Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management of the Webster Parish Fire Protection District No. 6. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 19-20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the

basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information, and we do not express an opinion, a conclusion, nor provide any assurance on it.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our review of the basic financial statements are not affected by this missing information.

### **Supplementary Information**

The supplementary information included in the accompanying Schedule of Per Diem Paid Commissioners and Schedule of Compensation, Benefits, and Other Payments to Agency Head on pages 21–22 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on it.

A handwritten signature in black ink that reads "Cook & Morehart". The signature is written in a cursive, flowing style with a long horizontal line extending from the end of the name.

Cook & Morehart  
Certified Public Accountants  
December 11, 2018

Webster Parish Fire Protection District No. 6  
 Cullen, Louisiana  
 Statement of Net Position  
 December 31, 2017

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 17,840
Accounts receivable - ad valorem taxes	185,658
Restricted cash for debt service	53,278
Capital assets (net)	
Non-depreciable	53,571
Depreciable	1,111,057
Total assets	1,421,404
<b>LIABILITIES</b>	
Accounts payable	2,839
Accrued interest payable	15,565
Long-term liabilities:	
Due within one year	72,344
Due in more than one year	654,332
Total liabilities	745,080
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue- ad valorem taxes	219,537
<b>NET POSITION</b>	
Net investment in capital assets	437,952
Restricted for debt service	42,583
Unrestricted (deficit)	(23,748)
Total net position	\$ 456,787

See accompanying notes and independent accountants' review report

Webster Parish Fire Protection District No. 6  
 Cullen, Louisiana  
 Statement of Activities  
 For the Year Ended December 31, 2017

GOVERNMENTAL ACTIVITIES

Expenses:

Interest on long term-term debt	\$ 24,611
Public safety - fire protection	213,307
	<u>237,918</u>

Net program expenses (237,918)

General revenues:

Ad valorem taxes	210,952
Fire insurance rebate	11,512
Interest income	54
Other income	7,658
Total general revenues	<u>230,176</u>

Change in net position (7,742)

Net position - beginning, restated 464,529

Net position - ending \$ 456,787

See accompanying notes and independent accountants' review report

Webster Parish Fire Protection District No. 6  
 Cullen, Louisiana  
 Balance Sheet  
 Governmental Funds  
 December 31, 2017

	<u>General Fund</u>
<b>Assets</b>	
Cash	\$ 17,840
Accounts receivable- ad valorem taxes	185,658
Restricted cash for debt service	<u>53,278</u>
Total assets	<u><u>\$ 256,776</u></u>
<b>Liabilities</b>	
Accounts payable	\$ 2,839
Total liabilities	<u>2,839</u>
<b>Deferred inflows of resources</b>	
Unavailable revenue	
Ad valorem taxes	219,537
Total deferred inflows of resources	<u>219,537</u>
<b>Fund balance</b>	
Restricted for debt service	42,583
Unassigned (deficit)	<u>(8,183)</u>
Total fund balance	<u>34,400</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 256,776</u></u>

See accompanying notes and independent accountants' review report

Webster Parish Fire Protection District No. 6  
 Cullen, Louisiana  
 Reconciliation of the Balance Sheet of the Governmental Funds  
 to the Statement of Net Position  
 December 31, 2017

Fund balances - total governmental funds	\$	34,400
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.		1,164,628
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Long-term liabilities and other amounts are not due and payable in the current period and therefore are not reported in the governmental fund:

Certificates of indebtedness	377,000		
Capital lease payable	349,676		
Accrued interest payable	<u>15,565</u>		<u>(742,241)</u>

Net position of governmental activities	\$	<u><u>456,787</u></u>
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See accompanying notes and independent accountants' review report

Webster Parish Fire Protection District No. 6  
 Cullen, Louisiana  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Governmental Funds  
 For the Year Ended December 31, 2017

	<u>General Fund</u>
Revenues	
Ad valorem taxes	\$ 210,952
Intergovernmental revenue:	
Fire insurance rebate	11,512
Interest income	54
Miscellaneous	<u>7,658</u>
Total revenues	<u>230,176</u>
Expenditures	
Current - public safety - fire protection	136,308
Debt service:	
Principal	70,458
Interest, fees and charges	<u>25,872</u>
Total expenditures	<u>232,638</u>
Change in fund balance	(2,462)
Fund balance at beginning of year, restated	<u>36,862</u>
Fund balance at end of year	<u><u>\$ 34,400</u></u>

See accompanying notes and independent accountants' review report

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana

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Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds	\$	(2,462)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation \$76,999 exceeds capital outlays \$0 in the current period.		(76,999)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on net assets.		
Principal payments on long-term debt		70,458
Interest on long-term debt in statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the fund when it is due; however, interest expense is recognized as the interest accrues in the statement of net position.		<u>1,261</u>
Change in net position of governmental activities	\$	<u>(7,742)</u>

See accompanying notes and independent accountants' review report

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Notes to Financial Statements  
December 31, 2017

INTRODUCTION

The Webster Parish Fire Protection District No. 6 (the District) was created by the Webster Parish Police Jury in 1988 by a resolution to purchase and maintain fire equipment and to provide fire protection for the people of Webster Parish Fire Protection District No. 6. The District is governed by a board of commissioners consisting of 5 members. Two members are appointed by the Webster Parish Police Jury, two members are appointed by the Town of Cullen, and one member is appointed by the other four members.

(1) Summary of Significant Accounting Policies

The Webster Parish Fire Protection District No. 6's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Webster Parish Fire Protection District No. 6 are discussed below.

A. Reporting Entity

Because the Webster Parish Police Jury appoints two members of the governing board and because the District operates within the geographical boundaries of Webster Parish, the District was determined to be a component unit of the Webster Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. This report includes only funds which are maintained by the District and does not present information on the Webster Parish Police Jury, the general government service provided by that governmental unit, or the other governmental units that comprise the Webster Parish Police Jury.

B. Basic Financial Statements – Government-Wide Statements

The Webster Parish Fire Protection District No. 6's basic financial statements include both government-wide (reporting the funds maintained by the Webster Parish Fire Protection District No. 6 as a whole) and fund financial statements (reporting the Webster Parish Fire Protection District No. 6's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Webster Parish Fire Protection District No. 6's general fund is classified as governmental activities. The Webster Parish Fire Protection District No. 6 does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Webster Parish Fire Protection District No. 6's net position is reported in three parts – net investment in capital assets, restricted net assets, and unrestricted net position.

(Continued)

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Notes to Financial Statements  
December 31, 2017  
(Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the Webster Parish Fire Protection District No. 6's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. There were no program revenues for the year ended December 31, 2017. The net costs (by function) are normally covered by general revenues.

This government-wide focus is more on the sustainability of the Webster Parish Fire Protection District No. 6 as an entity and the change in the Webster Parish Fire Protection District No. 6's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Webster Parish Fire Protection District No. 6 are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Webster Parish Fire Protection District No. 6:

Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Webster Parish Fire Protection District No. 6:

- a. General fund is the general operating fund of the Webster Parish Fire Protection District No. 6. It is used to account for all financial resources except those required to be accounted for in another fund.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District's general fund was determined to be a major fund.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

The governmental funds in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

(Continued)

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Notes to Financial Statements  
December 31, 2017  
(Continued)

Revenues of the Webster Parish Fire Protection District No. 6 consist principally of property taxes, intergovernmental revenues - fire insurance rebate and interest income. Property taxes are recorded in the year for which the taxes are levied. Property taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. Because the 2017 tax levy is intended to fund the 2018 fiscal year, the levy has been recorded as a receivable and deferred inflows of resources. Interest income is recorded when earned. Intergovernmental revenues are recorded when received because they are generally not measurable until actually received.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is that principal and interest on general obligation long-term debt, if any, is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

E. Budgets

The District uses the following budget practices:

1. A preliminary budget for the ensuing year is prepared by the Fire Chief and Officers of the District prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted by the Board of Commissioners.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is established and controlled by the board of commissioners at the object level of expenditure. All changes in the budget must be approved by the board.
5. The budget is adopted on a cash basis for the general fund.

F. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, interest-bearing demand deposits, and money market accounts. 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 money market accounts with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

(Continued)

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Notes to Financial Statements  
December 31, 2017  
(Continued)

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. 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 carried at fair value.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	7 – 40 years
Equipment	5 – 10 years
Vehicles	5 – 15 years

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the District has no transactions that meet the definition of deferred outflows of resources.

The District's governmental activities and governmental fund report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that met this definition and qualifies for reporting in this category. Accordingly, the item "unavailable revenue" is reported in the governmental fund balance sheet and statement of net position. The District reports unavailable revenue from one source: ad valorem taxes. This amount is deferred and recognized as an inflow of resources in the period for which the amounts were levied and budgeted.

I. Compensated Absences

The District had no liability for compensated absences at December 31, 2017.

J. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Notes to Financial Statements  
December 31, 2017  
(Continued)

K. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the district or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Fund Balances

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the District's board of commissioners (the District's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the District's board of commissioners removes those constraints by taking the same type of action (i.e. legislation, resolution, or ordinance).
4. Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The District's board of commissioners have the authority to assign amounts to be used for specific purposes.
5. Unassigned fund balance are the residual classification for the District's general fund and include all spendable amounts not contained in the other classifications.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

(Continued)

Webster Parish Fire Protection District No. 6  
 Cullen, Louisiana  
 Notes to Financial Statements  
 December 31, 2017  
 (Continued)

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(2) Levied Taxes

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Operating	11.92	11.92	2018
Debt service	5.50	5.50	2023

A special election was held on April 28, 2018 in which the voters approved the millage continuation of the operating millage beginning in 2019 and ending 2028.

(3) Cash, Cash Equivalents, and Investments

At December 31, 2017, the District had cash, cash equivalents, and investments (book balances), totaling \$71,118 as detailed below.

Cash and Cash Equivalents

The District had cash and cash equivalents at December 31, 2017 (book balances) totaling \$71,118, of which \$53,278 is shown as restricted, in interest bearing demand deposits and demand deposit accounts. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) 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.

Credit Risk

Custodial credit risk is the risk that in the event of a bank or other depository institution failure, the government's deposits may not be returned to it. As of December 31, 2017, all of the District's bank balances totaling \$76,841 were secured by federal deposit insurance.

(Continued)

Webster Parish Fire Protection District No. 6  
 Cullen, Louisiana  
 Notes to Financial Statements  
 December 31, 2017  
 (Continued)

(4) Restricted Cash

The restricted cash at December 31, 2017 represents amounts collected by the District, from the assessment of the ad valorem taxes dedicated to debt service, that were not expended as of December 31, 2017.

(5) Restatement of Net Position / Fund Balance

Net position / fund balance at December 31, 2016, were restated to correct the revenue recognition of ad valorem taxes to the period for which the taxes were budgeted, recording of accrued interest payable on long-term liabilities, and correcting beginning balance of the capital lease.

	<u>Net Position</u>	<u>Fund Balance</u>
Balance, December 31, 2016, as previously reported	\$ 683,138	\$ 242,060
Correction of ad valorem tax revenue	( 211,979)	( 205,198)
Correction of accrued interest payable	( 16,826)	-
Correction of capital lease	<u>10,196</u>	<u>-</u>
Balance, December 31, 2016, restated	<u>\$ 464,529</u>	<u>\$ 36,862</u>

(Continued)

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Notes to Financial Statements  
December 31, 2017  
(Continued)

(6) Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance at Jan. 1, 2017	Additions	Deletions	Balance at Dec. 31, 2017
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 53,571	\$	\$	\$ 53,571
Total capital assets, not being depreciated at historical cost	53,571			53,571
Capital assets, being depreciated:				
Buildings and improvements	804,250			804,250
Machinery and equipment	332,434			332,434
Vehicles	715,633			715,633
Total capital assets, being depreciated at historical cost	1,852,317			1,852,317
Less accumulated depreciation:				
Buildings and improvements	(114,667)	(20,213)		(134,880)
Machinery and equipment	(277,260)	(15,632)		(292,892)
Vehicles	(272,334)	(41,154)		(313,488)
Total accumulated depreciation	(664,261)	(76,999)		(741,260)
Total capital assets being depreciated, net	1,188,056	(76,999)		1,111,057
Governmental activities capital assets, net	<u>\$ 1,241,627</u>	<u>\$ (76,999)</u>	<u>\$</u>	<u>\$ 1,164,628</u>

Depreciation expense for the year ended December 31, 2017, was \$76,999.

(7) Risk Management

The District purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the prior year.

(Continued)

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Notes to Financial Statements  
December 31, 2017  
(Continued)

(8) Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation bonds	\$ 425,000		\$ 48,000	\$ 377,000	\$ 49,000
Capital lease	372,134		22,458	349,676	23,344
	<u>\$ 797,134</u>	<u>\$</u>	<u>\$ 70,458</u>	<u>\$ 726,676</u>	<u>\$ 72,344</u>

General Obligation Bonds Series 2012

The series 2012 bonds were issued by District and purchased by a local bank. Original amount of the issue was \$600,000, due in annual installments of \$41,000 to \$59,000 from March, 2013 to March, 2024. Repayment of debt is to be made from the ad valorem tax assessment dedicated for debt service. Interest rate on the bonds is 2.79%.

Debt service requirements at December 31, 2017, were as follows:

Fiscal Year December 31,	Principal	Interest	Total
2018	\$ 49,000	\$ 9,835	\$ 58,835
2019	51,000	8,440	59,440
2020	52,000	7,003	59,003
2021	54,000	5,524	59,524
2022	55,000	4,004	59,004
2023-2024	116,000	3,264	119,264
	<u>\$ 377,000</u>	<u>\$ 38,070</u>	<u>\$ 415,070</u>

Capital Lease

During 2014, the District entered into a \$414,524 equipment lease to finance a fire truck. The lease has an interest rate of 3.946% and matures on February 15, 2029. The debt will be repaid from funds legally available for such purposes by the District. The fire truck acquired through this capital lease, as reported in the governmental activities on the statement of net position, is recorded at \$414,524, less accumulated depreciation of \$96,722, for a net of \$317,802 at December 31, 2017. Depreciation expense for 2017 was \$27,635. The lessor is reflected as a lienholder on the fire truck during the term of the lease.

(Continued)

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Notes to Financial Statements  
December 31, 2017  
(Continued)

Future minimum lease obligation and the net present value of the minimum lease payments as of December 31, 2017 were as follows:

<u>Fiscal Year</u> <u>December 31,</u>	<u>Governmental</u> <u>Activities</u>
2018	\$ 37,142
2019	37,142
2020	37,142
2021	37,142
2022	37,142
2023-2027	185,711
2028-2029	<u>74,284</u>
Total lease payments	445,705
Less amount representing interest	<u>(96,029)</u>
Present value of future minimum lease payments	<u>\$ 349,676</u>

Interest expense in the statement of activities for the year ended December 31, 2017 was \$24,611.

(9) Subsequent Events

Subsequent events have been evaluated through December 11, 2018, the date the financial statements were available to be issued.

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Required Supplementary Information  
Budgetary Comparison Schedule  
Cash Basis  
General Fund  
For the Year Ended December 31, 2017

	Budgeted Amounts Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Ad valorem taxes	\$ 220,306	\$ 210,952	\$ (9,354)
Fire insurance rebate	11,000	11,512	512
Interest income	1,000	54	(946)
Miscellaneous	8,000	7,658	(342)
Total revenues	<u>240,306</u>	<u>230,176</u>	<u>(10,130)</u>
Expenditures			
Current - fire protection	127,412	138,113	(10,701)
Debt service	97,200	96,330	870
Total expenditures	<u>224,612</u>	<u>234,443</u>	<u>(9,831)</u>
Change in fund balance	15,694	(4,267)	(19,961)
Fund balance at beginning of year	<u>41,124</u>	<u>41,506</u>	<u>382</u>
Fund balance at end of year	<u>\$ 56,818</u>	<u>\$ 37,239</u>	<u>\$ (19,579)</u>

See independent accountants' review report

Webster Parish Fire Protection District No. 6  
 Cullen, Louisiana  
 Notes to Required Supplementary Information  
 December 31, 2017

The District's budget is adopted on a cash basis for all funds. There were no amendments to the 2017 budget. The budget comparison schedule included in the accompanying financial statements includes the original and amended budget. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (budget basis)	\$ ( 4,267)
Adjustments:	
Expenditure accruals – net	<u>1,805</u>
Excess of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ ( 2,462)</u>

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Other Supplementary Information  
Schedule of Per Diem Paid Commissioners  
For the Year Ended December 31, 2017

PER DIEM AND OTHER PAID COMMISSIONERS

The following serve on the Board of Commissioners and were paid compensation for the following amounts:

James R. Dodson	\$	550
Lanny Moore		600
Lawrence Williams		600
Jane O'Dell		550
Leon Allison		<u>550</u>
	\$	<u>2,850</u>

See independent accountants' review report

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Other Supplementary Information  
Schedule of Compensation, Benefits, and Other Payments to Agency Head  
For the Year Ended December 31, 2017

Agency Head:

Thomas C. Arnold, Fire Chief

PURPOSE	AMOUNT
Compensation	\$ 37,600
Medical insurance	9,633
Travel	854

See independent accountants' review report

# COOK & MOREHART

*Certified Public Accountants*

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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Accountants' Report On Applying Agreed-Upon Procedures

The Board of Commissioners  
Webster Parish Fire Protection District No. 6

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Webster Parish Fire Protection District No. 6 (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Webster Parish Fire Protection District No. 6's compliance with certain laws and regulations during the year ended December 31, 2017 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. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 38:2211-2296 (the public bid law) and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year ended December 31, 2017 exceeding \$30,000 for materials and supplies or \$150,000 for public works.

### *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).

The District provided us with the required list.

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

The District provided us with the required list.

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

None of the employees included on the list of employees provided by the District [agreed-upon procedure (3)] appeared on the list provided by the District in agreed-upon procedure (2).

Obtain a list of disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

The District provided the listings. No vendors appeared on both lists.

#### *Budgeting*

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

The District provided us with a copy of the original budget. There were no amendments.

6. Trace documentation for the adoption of the budget and approval of any amendments to the minute book and report whether there are any exceptions.

*Exception:* The adoption of the original budget for 2017 was done on February 14, 2017. See Finding 2017-01.

There were no budget amendments.

We traced the budget adoption to the minutes of that meeting.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

#### *Accounting and Reporting*

8. Obtain the list of all disbursements made during the fiscal year. Randomly select 6 disbursements and obtain documentation from management for those disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) report whether the six disbursements agree to the amount and payee in the supporting documentation.

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) report whether the six disbursements are coded to the correct fund and general ledger account;

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

- (c) report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of documentation supporting each of the six selected disbursements indicated the six disbursements were approved in accordance with management's policies and procedures.

*Meetings*

9. Obtain evidence from management indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:13 (the open meetings law).

The District posted its meetings and agendas as required by LSA-RS 42:11 through 42:28 (the open meetings law).

*Debt*

10. Obtain bank deposits for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

*Advances and Bonuses*

11. Obtain the list of payroll disbursements and meeting minutes of the governing board. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

A reading of the minutes and inspection of payroll disbursements of the District for the year ended December 31, 2017 indicated no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

*Prior Comments and Recommendations*

12. Obtain and report management's representation as to whether any prior year suggestions, recommendations, and/or comments have been resolved.

There were two prior year findings for the year ended December 31, 2016. The finding 2016-01 has been resolved. The finding 2016-02 has not been resolved, see 2017-02 finding.

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 No. 6 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.



Cook & Morehart  
Certified Public Accountants  
December 11, 2018

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Summary Schedule of Prior Year Findings  
December 31, 2017

There were two findings for the prior year review for the year ended December 31, 2016.

**Finding: 2016-01 Significant Deficiency – Internal Control over Financial Reporting**

*Criteria:* As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare their annual financial statements. This condition is intentional by management based upon the District's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. In relation to this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with the notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

*Condition:* Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

*Cause:* The condition is due to economic limitations.

*Effect:* Misstatements in the financial statements or footnotes may not be detected.

*Recommendation:* No recommendation is made for this deficiency. Management must determine whether the benefit from an internal control exceeds its cost, and therefore it may be impractical to correct all deficiencies required to be reported under SAS 115. The cost benefit analysis is not a factor in the reporting requirements of SAS 115. We do not believe that correcting the significant deficiency as described above would be cost effective or practical for the Webster Parish Fire Protection District #6 therefore no corrective action is recommended.

*Current Status:* Resolved. Finding not repeated in 2017.

**Finding: 2016-02 Bond Millage of Ad Valorem Taxes**

*Criteria:* Article VI, Section 33 of the Louisiana Constitution states:  
"(B) Full Faith and Credit. The full faith and credit of a political subdivision is hereby pledged to the payment of general obligation bonds issued by it under this constitution or the statute or proceedings pursuant to which they were issued. The governing authority of the issuing political subdivision shall levy and collect or cause to be levied and collected on all taxable property in the political subdivision ad valorem taxes sufficient to pay principle and interest and redemption premiums, if any, on such bonds as they mature".

*Condition:* Bond rates should be recalculated every year and levied at a rate to pay one year of debt service. Bond millages are not affected by reassessment but are to be adjusted annually to the assessed value and amount needed. For 2016 assessment for bond payment was \$69,396 while bond payments were \$58,499. In addition at the beginning of 2016 there was \$20,367 and at December 31, 2016 there was \$49,838 in the bond repayment account.

(Continued)

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Summary Schedule of Prior Year Findings  
December 31, 2017  
(Continued)

*Cause:* Assessment for Bond repayment was set for 5.50 mills for 2016. The District has levied the same rate for 5 years.

*Effect:* Assessing more than required each year will have the possibility of accumulating excess property taxes after the bonds are fully repaid from the bond millage.

*Recommendation:* We recommend the Board, before adopting millage rates for 2017, review the property value with the tax assessor office. Then review amount of money in the bond account and adjust the millage so that by year 2023, when the bonds mature, you will have not assessed extra taxes.

*Current Status:* See repeat finding 2017-02 for the year ended December 31, 2017.

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Summary Schedule of Current Year Findings  
For Louisiana Legislative Auditor  
December 31, 2017

There were two findings for the current year review for the year ended December 31, 2017.

**Finding: 2017-01 Budget Adoption**

The District adopted the 2017 budget on February 14, 2017. The Local Government Budget Act requires the budget to be adopted before the end of the prior fiscal year.

*Management's Response:*

The District will comply with the Local Government Budget Act.

**Finding: 2017-02 Bond Millage of Ad Valorem Taxes**

*Criteria:* Article VI, Section 33 of the Louisiana Constitution states:

"(B) Full Faith and Credit. The full faith and credit of a political subdivision is hereby pledged to the payment of general obligation bonds issued by it under this constitution or the statute or proceedings pursuant to which they were issued. The governing authority of the issuing political subdivision shall levy and collect or cause to be levied and collected on all taxable property in the political subdivision ad valorem taxes sufficient to pay principle and interest and redemption premiums, if any, on such bonds as they mature".

*Condition:* Bond rates should be recalculated every year and levied at a rate to pay one year of debt service. Bond millages are not affected by reassessment but are to be adjusted annually to the assessed value and amount needed. For 2017 assessment for bond payment was \$66,972 while bond payments were \$59,188. At December 31, 2017, there were excess ad valorem taxes collected of \$42,582.

*Cause:* Assessment for Bond repayment was set for 5.50 mills for 2017. The District has levied the same rate since inception.

*Effect:* Assessing more than required each year will have the possibility of accumulating excess ad valorem taxes after the bonds are fully repaid from the bond millage.

*Recommendation:* We recommend the Board, before adopting millage rates for 2019, review the property value with the tax assessor office. Then review amount of money in the bond account and adjust the millage so that by year 2023, when the bonds mature, you will have not assessed excess ad valorem taxes.

*Management's Response:* Webster Parish Fire Protection District No. 6 will work with the tax assessor's office to set a rate to collect only enough to pay bond payments.

(Continued)

Webster Parish Fire Protection District No. 6  
Cullen, Louisiana  
Summary Schedule of Current Year Findings  
For Louisiana Legislative Auditor  
December 31, 2017  
(Continued)

**2017-03 – Late Submission of Review Report**

*Finding:* The review report for the year ended December 31, 2017, was not submitted timely in accordance with state law.

*Criteria:* State law requires reports to be submitted no later than six months after the District's fiscal year end.

*Cause:* The District did not engage the CPA firm timely to allow completion of the audit by the required deadline.

*Effect:* The review report was not submitted timely in accordance with state law.

*Recommendation:* We recommend that the District establish appropriate controls for ensuring reports are submitted timely in the future.

*Management's Response:* The District has established controls to ensure the reports for 2018 will be submitted and filed timely.

LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Governmental Agencies)

12-11-18 (Date Transmitted)

Cook + Morehart, CPAs (CPA Firm Name)

P.O. Box 78240 (CPA Firm Address)

Shreveport, LA 71137-8240 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12-31-17 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the 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 R.S. 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 R.S. 42:1118.

Yes  No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

will for 2019 Budget 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 R.S. 44:1, 44:7, 44:31, and 44:36.

Yes  No [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes  No [ ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No [ ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.  
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 R.S. 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, R.S. 14:138, and AG opinion 79-729.

Yes  No [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [ ] No

**General**

*Debt Millage*

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

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.

Yes  No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes  No [ ]

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants 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 your report.

Yes  No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes  No [ ]

The previous responses have been made to the best of our belief and knowledge.

Wang Jun Secretary 12/11/2018 Date  
Wang Jun Treasurer 12/11/2018 Date  
Qols Saola President 12/11/2018 Date