

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Annual Financial Statements

JUNE 30, 2020

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Commissioners
Webster Parish Fire Protection District #7
Dixie Inn, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of the Webster Parish Fire Protection District No. 7, a component unit of the Webster Parish Policy Jury, as of and for the year ended June 30, 2020, 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. 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 the 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services issued by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in *Government Auditing Standards*. 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.

Accountant's 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.

Supplementary Information

The accompanying Schedule of Compensation Paid Board Members and Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purpose of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on it.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 22 to be presented to supplement the basic financial statements.

Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who consider it to be an essential part of the 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 or reviewed 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 statements in an appropriate operational, economic, or historical context.

Wesley Marten 1/2 Cob LLC

Minden, LA
March 29, 2021

BASIC FINANCIAL STATEMENTS

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Statement of Net Position
June 30, 2020

	Governmental Activities
ASSETS	
Cash	\$ 431,238
Capital assets (net)	<u>1,025,667</u>
Total assets	<u>1,456,905</u>
LIABILITIES	
Accounts and other payables	620
Interest payable	6,228
Unearned revenue	1,920
Long-term liabilities	
Due within one year	101,048
Due in more than one year	<u>316,762</u>
Total liabilities	<u>426,578</u>
NET POSITION	
Net investment in capital assets	\$ 607,857
Restricted for:	
Debt service	53,999
Unrestricted	<u>368,471</u>
Total net position	<u>\$ 1,030,327</u>

See accompanying notes and independent accountants' review report.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Statement of Activities
For the year ended June 30, 2020

Function/Programs:	Net <u>(Expenses)</u>
Governmental activities:	
Public safety - fire protection	\$ (281,076)
Interest on long term debt	<u>(15,314)</u>
Total expenses	(296,390)
General revenues:	
Ad valorem taxes	260,296
Intergovernmental	
Fire insurance rebate	8,289
Interest	3,744
Gain on sale of asset	21,702
Miscellaneous income	<u>5,264</u>
Total revenues	<u>299,295</u>
Change in net position	2,905
Net position - beginning	<u>1,027,422</u>
Net position - ending	<u>\$ 1,030,327</u>

See accompanying notes and independent accountants' review report.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Governmental Fund
Balance Sheet
June 30, 2020

	<u>General Fund</u>
ASSETS	
Cash	\$ 431,238
Total assets	<u>\$ 431,238</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 620
Protested taxes payable	<u>1,920</u>
Total liabilities	<u>2,540</u>
Fund balance:	
Unassigned	<u>428,698</u>
Total fund balance	<u>428,698</u>
Total liabilities and fund balance	<u>\$ 431,238</u>

See accompanying notes and independent accountants' review report.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet
to the Government-wide Financial Statement of Net Position

June 30, 2020

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Fund (Statement C)	\$ 428,698
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements	1,025,667
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, therefore, are not reported as fund liabilities in the governmental funds. All liabilities, both current and long-term are reported in the Statement of Net Position	
Accrued interest payable	(6,228)
Capital lease obligation	(152,810)
General obligation bonds payable	<u>(265,000)</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 1,030,327</u>

See accompanying notes and independent accountants' review report.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2020

	<u>General fund</u>
REVENUES	
Ad valorem taxes	\$ 260,296
Intergovernmental	
Fire insurance rebate	8,289
Interest	3,744
Miscellaneous	<u>5,264</u>
Total revenues	<u>277,593</u>
EXPENDITURES	
Current - general government:	
Building & grounds	9,240
Communications	5,335
General operations	76,553
Fire services	24,626
Truck maintenance	7,328
Recruitment & retention	1,713
Training	8,835
Capital outlay	59,134
Debt service	
Principal	94,700
Interest	<u>16,608</u>
Total expenditures	<u>304,072</u>
Excess (deficiency) of revenues over expenditures	<u>(26,479)</u>
Other financing sources (uses):	
Proceeds from sale of asset	<u>24,250</u>
Total other financing sources (uses)	<u>24,250</u>
Net change in fund balance	<u>(2,229)</u>
Fund balance -beginning, as originally stated	423,406
Prior period adjustment	<u>7,521</u>
Fund balance - beginning, restated	<u>430,927</u>
Fund balance - ending	<u>\$ 428,698</u>

See accompanying notes and independent accountants' review report.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund to the
Statement of Activities

For the Year Ended June 30, 2020

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balance, Governmental Fund (Statement E)	\$	(2,229)
---	----	---------

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 capital outlays exceeded depreciation in the current period.		(90,860)
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The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of capital lease		34,700
Repayment of bond principal		60,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Decrease in interest payable		<u>1,294</u>
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Change in Net Position of Governmental Activities (Statement B)	\$	<u>2,905</u>
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See accompanying notes and independent accountants' review report.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2020

INTRODUCTION

The Webster Parish Fire Protection District No. 7 (the District) was created by resolution of the Webster Parish Police Jury in 1988. The District began collecting ad valorem taxes in January 1990. The District board consists of five members. Two members are appointed by the Webster Parish Police Jury, two members are appointed by the Village of Dixie Inn and the fifth member is appointed by the other four members and is the chairman of the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the District are prepared in conformity with accounting principles generally accepted in the United States of America (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. The significant accounting policies used by the District are discussed below.

A. Reporting Entity

Governmental Accounting Standards Board (GASB) established criteria for determining the governmental reporting entity and component units should be included within the reporting entity. Under the provisions of this statement, the District is considered a component unit of the Webster Parish Police Jury. The 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 that financial reporting entity.

B. Basic Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's General fund is classified as governmental activities. The District has no business-type activities.

Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis by column and is reported on a full accrual, economic resource

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2020

basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are supported by general government revenues (property taxes and intergovernmental revenues such as fire insurance rebates.) The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, operating and capital grants, which must be directly associated with the public safety function.

Program revenues Program revenues included in the Statement of Activities include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not have any program revenues.

Allocation of indirect expenses The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

The government wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Separate financial statements are provided for governmental funds. The major individual governmental fund, which is the general fund, is reported in the fund financial statements.

Fund Financial Statements

The financial transactions of the District are reported 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The emphasis in fund financial statements is on the major funds in the governmental and business-type activities categories. Nonmajor funds by category are summarized into a single column.

The District only uses governmental fund types.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2020

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 District reports the following governmental fund:

- General fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The District's General fund was determined to be a major fund.

C. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses 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 activities in the government-wide financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other revenues are recognized when earned, and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include principal and interest on general obligation long-term debt, which are recognized when due and payable.

Revenues

- Ad valorem taxes (property) are recorded in the year they are assessed. Property taxes are assessed on a calendar-year basis and become due on the date November 15 of each year and become delinquent on December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2020

Property taxes and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

D. Cash and investments

Cash includes amounts in demand deposits, 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, and money market accounts with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The District has no investments.

E. Capital assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at acquisition value at the date of donation. The District maintains a threshold level of \$2,500 or more for capitalizing capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of fixed assets or materially extend useful lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	40 years
Machinery and equipment	10 years
Vehicles	5-15 years

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2020

F. Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as liabilities in the governmental activities Statement of Net Position. Bond premium and discounts, as well as issuance costs related to prepaid insurance, are deferred and amortized over the life of the bonds using the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at issuance, except for those related to prepaid insurance, which are recorded as prepaids in the Statement of Net Position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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. Payment of principal and interest are reported as debt service expenditures.

G. Restricted net position

For the government-wide Statement of Net Position, net position is reported as restricted if either of the following conditions exists:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Restrictions are imposed by law through constitutional provision or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources when expenses are incurred for purpose for which both restricted and unrestricted net position are available.

H. Fund Equity of Fund Financial Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used. In the fund financial statements, fund balances are classified as follows:

- a. Nonspendable fund balance - amounts that are not in a spendable form or legally or

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2020

contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories.

- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c. Committed fund balance - amounts constrained to specific purposes determined by the Board of Commissioners, the District's highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint. The Board establishes (and modified or rescinds) fund balance commitments by passage of an ordinance or resolution.
- d. Assigned fund balance - amounts that the District intends to use for a specific purpose, intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The District's policy does not address assignment of fund balance. Assigned fund balance is established by Board of Commissioners through adoption or amendment of the budget as intended for specific purpose.
- e. Unassigned fund balance - amounts that are available for any purpose, positive amounts are reported only in the General fund. The District has not adopted a policy to maintain the General fund's unassigned fund balance above a certain minimum level.

The District reduces committed amounts, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The District considers restricted amounts to have been spent when an expenditure has incurred for purposes for which both restricted and unrestricted fund balance are available.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2020

2. BUDGETS

The District uses the following budget practices:

- a) The District prepares a proposed budget and submits it to the Board of Commissioners in May prior to the beginning of each fiscal year.
- b) A summary of the proposed budget is presented and the public notified that the proposed budget is available for public inspection (if required). At the same time, a public hearing is called.
- c) A public meeting is held on the proposed budget as noted in the public meeting postings.
- d) After the holding of the public meeting and completion of all action necessary to finalize and implement the budget, the budget is adopted by the Board of Commissioners prior to the commencement of the fiscal year for which the budget is being adopted.
- e) Budgetary amendments involving the transfer of funds from one department, program or function to another as a result of expenditures exceeding budgeted amounts and revenues lower than budgeted amounts require the approval of the board of commissioners.
- f) Budgetary appropriations lapse at the end of the fiscal year.
- g) The budget for the General fund was adopted on a cash basis.

The General fund had an excess of expenditures over appropriations as noted below:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General fund	\$ 228,350	\$ 305,099	\$ (76,749)

3. CASH AND CASH EQUIVALENTS

At June 30, 2020, the District had cash and cash equivalents (book balances) totaling \$431,238.

These deposits are stated at cost, which approximates market. Under state law, these bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times at least 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.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2020

At June 30, 2020, the District has \$445,048 in collected bank balances. The deposits are secured from risk by \$271,195 of federal deposit insurance and \$245,829 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though 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. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended June 30, 2020:

	2019 Levied <u>Millage</u>	<u>Expiration Date</u>
District taxes:		
Bond	4.20	2019
Operations and maintenance	15.00	2028
 Taxable property valuation	 \$13,972,376	

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2020, for the District is as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Capital assets being depreciated				
Buildings	\$ 636,063	\$ 26,350	\$ -	\$ 662,413
Machinery & equipment	716,126	36,522	(124,203)	628,445
Vehicles	<u>1,804,322</u>	<u>-</u>	<u>(210,850)</u>	<u>1,593,472</u>
Total capital assets being depreciated	3,156,511	62,872	(335,053)	2,884,330
 Less accumulated depreciation for:				
Buildings	(190,201)	(18,631)	-	(208,832)
Machinery & equipment	(544,171)	(46,165)	123,749	(466,587)
Vehicles	<u>(1,305,614)</u>	<u>(86,387)</u>	<u>208,757</u>	<u>(1,183,244)</u>
Total accumulated depreciation	<u>(2,039,986)</u>	<u>(151,183)</u>	<u>332,506</u>	<u>(1,858,663)</u>
Total capital assets being depreciated, net	<u>1,116,525</u>	<u>(88,311)</u>	<u>(2,547)</u>	<u>1,025,667</u>
 Governmental activities capital assets, net	 <u>\$1,116,525</u>	 <u>\$ (88,311)</u>	 <u>\$ (2,547)</u>	 <u>\$ 1,025,667</u>

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2020

Depreciation expense of \$151,183 was charged to the public safety function.

6. RESTRICTED ASSETS

The District had \$53,999 of restricted assets at June 30, 2020, made up of a bank account restricted for bond debt service.

7. ACCOUNTS AND OTHER PAYABLES

The District had accounts payables of \$620 at June 30, 2020.

8. UNEARNED REVENUES

The District had unearned revenues of \$1,920 at June 30, 2020, which represents property taxes paid to the District which have been protested by the taxpayer. These amounts are recognized as revenues or returned to the taxpayer, depending on the outcome of the protest.

9. CAPITAL LEASE

The District records items under capital lease as an asset and an obligation in the accompanying Statement of Net Position.

In Nov, 2013, the District entered into a capital lease for a fire truck. The cost of the fire truck was \$342,492 and the terms of the lease require the District to make ten payments of \$41,983 with an interest rate of 3.884%. The future minimum lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 36,048	\$ 5,935	\$ 41,983
2022	37,448	4,535	41,983
2023	38,902	3,081	41,983
2024	<u>40,412</u>	<u>1,571</u>	<u>41,983</u>
Total	\$ <u>152,810</u>	\$ <u>15,122</u>	\$ <u>167,932</u>

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2020

10. LONG-TERM OBLIGATION

The following is a summary of the change in long-term obligation transactions for the year ended June 30, 2020:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities					
Notes from direct borrowing and direct placement:					
GOB 2014	\$ 325,000	\$ -	\$ 60,000	\$ 265,000	\$ 65,000
Other liabilities:					
Capital lease	<u>187,510</u>	<u>-</u>	<u>34,700</u>	<u>152,810</u>	<u>36,048</u>
Total	<u>\$ 512,510</u>	<u>\$ -</u>	<u>\$ 94,700</u>	<u>\$ 417,810</u>	<u>\$ 101,048</u>

On March 21, 2014, the District issued \$600,000 of 10-year general obligation bonds. Principal of the bonds is payable at the principal corporate trust office of Sabine State Bank & Trust Company. Interest on the Bond is payable semiannually on March 1st and September 1st of each year, commencing September 1, 2014, by check mailed to the registered owner. Interest is variable between .35% and 3.5%. The Bond is in varying denominations.

The General Obligation Bonds, Series 2014 bonds are secured by and payable from unlimited *ad valorem* taxation. The Bonds are being issued for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including both real and personal property, title to which shall be in the public, to be used in giving fire protection to the property in the Issuer, said bond having been authorized at an election held on November 16, 2013.

Total interest expense paid on long-term debt as of June 30, 2020 was \$15,314. The annual requirements to amortize bonds outstanding as of June 30, 2020, including interest payments of \$21,338, are as follows:

Year ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>			
2021	\$ 65,000	\$ 7,975	\$ 72,975
2022	65,000	6,350	71,350
2023	65,000	4,563	69,563
2024	<u>70,000</u>	<u>2,450</u>	<u>72,450</u>
	<u>\$ 265,000</u>	<u>\$ 21,338</u>	<u>\$ 286,338</u>

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2020

11. CONTINGENT LIABILITIES

At June 30, 2020, there was no litigation pending against the District.

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of insurance.

13. TAX ABATEMENTS

The State of Louisiana offers a number of programs that provide tax abatements within the City including the Industrial Tax Exemption Program (ITEP). Louisiana's ITEP has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the "contract" value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2020 by authorized millage is as follows:

<u>Tax code</u>	<u>Millage</u>	<u>Assessed value lost to ITEP</u>	<u>Estimated tax \$ lost to ITEP</u>
General corporate purposes	15.00 mills	434,012	\$ 6,510
Bond	4.20 mills	434,012	<u>1,823</u>
Total			<u>\$ 8,333</u>

14. PRIOR PERIOD ADJUSTMENT

The fund financial statements include a prior period adjustment to increase the fund balance of the General fund to correct the effect of recognize interest payable in the fund financial statements. Interest expense should be recognized in the General fund when due and payable.

Fund balance, as previously reported	\$ 423,406
Correction to remove interest payable accrual	<u>7,521</u>
Fund balance, restated	<u>\$ 430,927</u>

15. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 29, 2021. This date represents the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Budgetary Comparison Schedule - General fund
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>(Cash basis)</u>	Variance
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ 260,296	\$ 260,296
Intergovernmental				
Fire insurance rebate	-	-	8,289	8,289
Interest	-	-	3,744	3,744
Miscellaneous	-	-	5,264	5,264
Total revenues	<u>-</u>	<u>-</u>	<u>277,593</u>	<u>277,593</u>
Expenditures:				
Current - general government:				
Building & grounds	43,900	58,500	9,240	49,260
Communications	5,000	5,500	5,335	165
General operations	65,000	72,500	77,610	(5,110)
Fire services	30,600	25,100	24,626	474
Truck maintenance	22,000	7,500	7,298	202
Recruitment & retention	2,500	1,750	1,713	37
Training	27,000	15,500	8,835	6,665
Capital outlay	-	-	59,134	(59,134)
Debt service				
Principal	42,000	42,000	94,700	(52,700)
Interest	-	-	16,608	(16,608)
Total expenditures	<u>238,000</u>	<u>228,350</u>	<u>305,099</u>	<u>(76,749)</u>
Excess (deficiency) of revenues over expenditures	<u>(238,000)</u>	<u>(228,350)</u>	<u>(27,506)</u>	<u>200,844</u>
Other financing sources (uses):				
Proceeds from sale of asset	-	-	24,250	24,250
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>24,250</u>	<u>24,250</u>
Deficiency of expenditures over revenues	(238,000)	(228,350)	(3,256)	225,094
Fund balance at beginning of year	<u>434,495</u>	<u>434,495</u>	<u>434,495</u>	<u>-</u>
Fund balance at end of year	<u>\$ 196,495</u>	<u>\$ 206,145</u>	<u>\$ 431,239</u>	<u>\$ 225,094</u>

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Note to Budgetary Comparison Schedule
For the Year Ended June 30, 2020

The District's budget is adopted on a cash basis. There was one amendment to the 2019-2020 budget. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis.

Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ (3,256)
Adjustments	
Expenditure accruals - net	<u>1,027</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ (2,229)</u>

SUPPLEMENTARY INFORMATION

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2020

The following served on the Board of Commissioners without compensation:

Mike Burton	Chairman
Gary Greene	Commissioner
Mickey Chandler	Commissioner
Lori McGarity	Commissioner
Mike Griffith	Commissioner

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2020

Agency Head: Brian Williams, Fire chief

Pay	\$ 5,424
Reimbursements	<u>335</u>
Total	\$ <u>5,759</u>

OTHER REPORT

WISE, MARTIN & COLE, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Webster Parish Fire Protection District No. 7
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Webster Parish Fire Protection District No. 7 and the Louisiana Legislative Auditor (the specified parties), on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year fiscal year ended June 30, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of the procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works limit in effect during the fiscal year. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

For the year ended June 30, 2020, we noted no expenditures exceeding \$30,000 for materials and supplies or for public works exceeding the public works limit in effect during the fiscal year.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

This procedure does not apply since the District has no employees.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

This procedure does not apply since the District has no employees.

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

Management provided the requested information. None of the businesses of the board members, and board members' immediate families appeared as vendors on the list of disbursements.

Budgeting

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

Management provided us with a copy of the original budget and amended budget expenditures for June 30, 2020.

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

We traced adoption of the original and amended budget to documentation in the minutes of the meetings of the District's board held on June 18, 2019 and August 11, 2020, respectively.

Exception: The adopted budgets did not include budgeted revenues or fund balance.

Management response: The District was never instructed by prior CPA that the other components needed to be included for a complete financial plan. All information was included in every board meeting. The District will follow the recommendation and include the information going forward.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures.

Exception: The actual expenditures exceeded budget expenditures by 25%.

Management response: The District was never instructed by prior CPA that the debt service payments needed to be included in the budget. The District will follow the recommendation and include debt service payments in the complete financial plan going forward.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:
- (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed to the amount and the payee in the supporting documentation.

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account.

Each of the six selected disbursements were 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.

Each of the six selected disbursements were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management represented that the 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, no evidence was provided to support management's assertion other than copies of the notices and agendas.

Debt

11. Obtain bank deposit slips 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. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned 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

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. 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.

This procedure does not apply since the District has no employees.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Agency was granted an emergency/disaster related extension by the Louisiana Legislative Auditor due to the delays caused by the COVID-19 pandemic. The report was extended to March 31, 2021. The Agency's report was submitted to the Legislative Auditor before the extended due date of March 31, 2021

14. Inquire of management and report whether the agency entered 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).

The District did not enter into any contracts that utilized state funds and were subject to public bid law. This procedure does not apply since the agency is in compliance with R.S. 24:513 (the audit law).

Prior-Year Comments

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

Our prior year report, dated December 26, 2019, did not include any suggestions, exceptions, recommendations, or comments.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Minden, LA
March 29, 2021

W. Lee Martin & Cole LLC

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

9/29/2020 (Date Transmitted)

Wise, Martin, & Cole, LLC (CPA Firm Name)

601 Main Street (CPA Firm Address)

Minden, LA 71055 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 6/30/20 (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. 42:1119.

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.

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

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 []

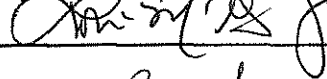
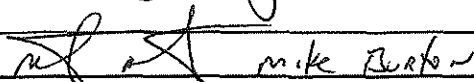
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period 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.

	Secretary	9-29-2020	Date
_____	Treasurer	_____	Date
 Mike Burton	President	9-25-20	Date

OTHER INFORMATION

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Schedule of Prior Year Findings
As of and for the year ended June 30, 2020

There were no findings reported for the fiscal year ended June 30, 2019.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Schedule of Current Year Findings
As of and for the year ended June 30, 2020

Agreed upon procedure #7 - Budgeting:

Criteria: R.S. 39:1305 sets forth that each political subdivision shall cause to be prepared a comprehensive budget presenting a complete financial plan for each fiscal year for the General fund. The budget document shall include:

- A budget message
- A statement for the general fund showing the estimated fund balance at the beginning of the year, estimates of all receipts and revenues to be received; revenues itemized by source, recommended expenditures itemized by function, other financing sources and uses, and the estimated fund balance at the end of the fiscal year.

Condition: The District budget did not include a budget message or amounts for budgeted revenues or fund balance.

Cause: Unknown

Effect: Budget fails to include components for a complete financial plan.

Recommendation: The District should include a budget message and budget amounts for revenues, expenditures, and fund balance.

Agreed upon procedure #8 - Budgeting:

Criteria: R.S. 39:1311 states that the budget must be amended when total actual expenditures and other uses exceed total budgeted expenditures by 5% or more.

Condition: District actual expenditures exceeded budgeted expenditures by 25%.

Cause: The District amended budget did not budget for \$69,325 in debt service payments on the GOB, Series 2014 bond or tax assessor fees of \$9,421.

Effect: The District was not in compliance with Local Government Budget Act.

Recommendations: The District should take steps to ensure that the budget considers all expenditures, including payments for debt service and tax assessor fees which are deducted from the advalorem revenues each year.