

**FOREST FIRE DISTRICT****Forest, Louisiana****Financial Statements  
And Supplementary Information  
Year Ended  
December 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/15/07**PREPARED BY:**

**JIMMIE L. SELF, CPA**  
*A Professional Accounting Corporation*  
**2908 Cameron Street, Suite C**  
**MONROE, LOUISIANA 71201**  
**Phone 318/323-4656 • FAX 318/388-0724**

# **FOREST FIRE DISTRICT**

**Forest, Louisiana**

**Financial Statements  
And Supplementary Information  
Year Ended  
December 31, 2006**

**PREPARED BY:**

**JIMMIE L. SELF, CPA**  
*A Professional Accounting Corporation*  
**2908 Cameron Street, Suite C**  
**MONROE, LOUISIANA 71201**  
**Phone 318/323-4656 • FAX 318/388-0724**

**FOREST FIRE DISTRICT**  
**Forest, LA**

Financial Statements  
And Supplementary Information  
Year Ended  
December 31, 2006

TABLE OF CONTENTS

	<u>STATEMENT</u>	<u>PAGE</u>
Accountant's Report on Financial Statements		1
<b><u>General Purpose Financial Statements:</u></b>		
Combined Balance Sheet – All Fund Types and Account Groups	A	3
Governmental Fund Type – General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance	B	4
Governmental Fund Type – General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual	C	5
<b><u>Notes to Financial Statements</u></b>		
Notes		7 - 13
	<u>SCHEDULE</u>	<u>PAGE</u>
<b><u>Supplemental Information Schedules</u></b>		
Schedule of Compensation Paid Commissioners	1	15

JIMMIE SELF, CPA  
*A Professional Accounting Corporation*  
2908 Cameron Street, Suite C  
Monroe, Louisiana 71201  
Phone (318) 323-4656 0 Fax (318) 388-0724

---

## ACCOUNTANT'S REPORT ON FINANCIAL STATEMENTS

To the Board of Directors  
Forest Fire District  
Forest, Louisiana

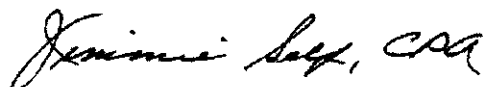
Dear Mr. Frazier and Board Members,

I have compiled the accompanying Balance Sheet of the Forest Fire District, a component unit of the West Carroll Parish Police Jury, as of December 31, 2006, and the related Statement of Revenues, Expenditures, and Changes in Fund Balance for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

The Forest Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2006. The effects of this departure from generally accepted accounting principles has not been determined.

Management has elected to omit the Statement of Cash Flows required by the generally accepted accounting principles. If the Statement of Cash Flows were included in the financial statements, it might influence the user's conclusions about the Forest Fire District's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



JIMMIE SELF, CPA  
MONROE, LOUISIANA  
June 15, 2007

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**FOREST FIRE DISTRICT**  
**Forest, LA**  
**All fund types and Account Groups**  
**Combined Balance Sheet**  
**December 31, 2006**

**STATEMENT A**

	<b>Governmental Fund Type</b>	<b>Account Group</b>	<b>Total Memo Only</b>
	<b>General Fund</b>	<b>General Fixed Assets</b>	
<b><u>ASSETS AND OTHER DEBITS</u></b>			
Cash in Bank	\$ 46,400	\$ -	\$ 46,400
Investments	153,951	-	153,951
Fixed Assets	-	255,018	255,018
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b><u>\$ 200,351</u></b>	<b><u>\$ 255,018</u></b>	<b><u>\$ 455,369</u></b>
<b><u>LIABILITIES AND FUND BALANCE:</u></b>			
<b>LIABILITIES</b>	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND EQUITY</b>			
Investments in General Fixed Assets	-	255,018	255,018
<b>FUND BALANCE</b>			
Undesignated	200,351	-	200,351
<b>TOTAL FUND BALANCE</b>	<u>200,351</u>	<u>255,018</u>	<u>455,369</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 200,351</u></b>	<b><u>\$ 255,018</u></b>	<b><u>\$ 455,369</u></b>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S COMPILATION REPORT

**FOREST FIRE DISTRICT**  
Forest, LA

**STATEMENT B**

**GOVERNMENTAL FUND TYPE - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**REVENUES**

1/2 Cent Sales Tax	\$ 52,741
Fire Insurance Rebate	5,576
Insurance Dividend	408
Interest Income	5,695
Total Revenues	<u>64,420</u>

**EXPENDITURES**

Current - Public Safety:	
Operating services	18,469
Material and Supplies	3,902
Utilities	2,548
Repair and Maintenance	12,276
Total Expenditures	<u>37,195</u>

<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	27,225
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>173,126</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$ 200,351</u></u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S COMPILATION REPORT.

**FOREST FIRE DISTRICT**  
Forest, LA

**STATEMENT C**

**GOVERNMENTAL FUND TYPE - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
1/2 Cent Sales Tax	\$ 51,000	\$ 52,741	\$ 1,741
Fire Insurance Rebate	-	5,576	5,576
Insurance Dividend	-	408	408
Interest Income	-	5,695	5,695
Total Revenues	<u>51,000</u>	<u>64,420</u>	<u>13,420</u>
<b>EXPENDITURES</b>			
Current - Public Safety:			-
Operating services	14,800	18,469	(3,669)
Material and Supplies	3,500	3,902	(402)
Utilities	2,750	2,548	202
Repair and Maintenance	14,500	12,276	2,225
Total Expenditures	<u>35,550</u>	<u>37,195</u>	<u>(1,645)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	15,450	27,225	11,775
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>167,246</u>	<u>173,126</u>	<u>5,880</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 182,696</u>	<u>\$ 200,351</u>	<u>\$ 17,655</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S COMPILATION REPORT.



**NOTES**  
**TO THE**  
**FINANCIAL STATEMENTS**

**FOREST FIRE DISTRICT**  
Forest, Louisiana

Notes to the Financial Statements  
For the Year ended December 31, 2006

---

---

This legal entity was established to provide fire protection for the political subdivision of Ward 3 in the parish of West Carroll. The Fire Protection District serves the area in and around the Village of Forest, Louisiana. This entity operates independent of any other parish governing body, but functions under the guidelines set forth by the West Carroll Parish Police Jury. The District operates under the direction of a board of directors. All members of the board serve with no compensation.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Forest Fire District have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

As the governing authority of the parish for reporting purposes, the West Carroll Police Jury is the financial entity for West Carroll Parish. The financial entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the West Carroll Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria includes:

- i. Appointing a voting majority of an organization's governing body, and
  1. The ability of the police jury to impose its will on that organization and/or
  2. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- ii. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

## FOREST FIRE DISTRICT

Forest, Louisiana

Notes to the Financial Statements  
For the Year ended December 31, 2006

---

---

- iii. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Because the Forest Fire District is fiscally dependent on the police jury, the district was determined to be a component unit of the West Carroll Parish Police Jury, the financial reporting entity. 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 other governmental units that comprise the financial reporting entity.

### C. FUND ACCOUNTING

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

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed asset and long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with measurement of financial position, not with the measurements of results of operations.

The only fund for the district is the governmental fund. Governmental funds account for the district's general activities, including collection and disbursement of specific or legally restricted monies. The acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

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

### D. BASIS OF ACCOUNTING

The accounting of financial reporting treatment applied to a fund is

# FOREST FIRE DISTRICT

Forest, Louisiana

## Notes to the Financial Statements For the Year ended December 31, 2006

---

---

determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements for these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

**Revenues:**

All revenues are recorded when received.

**Expenditures:**

Expenditures are generally recognized under the modified accrual basis of accounting, when the liability is incurred.

### E. BUDGET PRACTICES

The proposed budgets, prepared on the cash basis of accounting, were prepared and adopted by the board of commissioners in December, 2003. The budget is established and controlled by the board of commissioners at the object level of expenditure. Encumbrance accounting is not utilized in the district's records. Appropriations lapse at the year end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

### F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

### G. CASH

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any state in the union, or the laws of the United States. The district may invest in

## FOREST FIRE DISTRICT

Forest, Louisiana

### Notes to the Financial Statements For the Year ended December 31, 2006

---

---

certificates and time deposits of state banks under Louisiana law and national banks having principal offices in Louisiana.

The 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 securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

#### H. INVESTMENTS

Investments are limited by the Louisiana Revised Statute R.S. 33:2955 and the political subdivision's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. All investments are bank certificates of deposit and are stated at cost.

#### I. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the district maintains coverage on the fire district with Special Risk Insurance, Inc., Baton Rouge, LA. The policy covers general liability, property, employee liability, workers compensation, and public officials' liability. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2006.

#### J. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

#### K. COMPENSATED ABSENCES

## FOREST FIRE DISTRICT

Forest, Louisiana

Notes to the Financial Statements  
For the Year ended December 31, 2006

---

---

The district has no paid employees therefore there is no policy relating to vacation and sick leave.

### L. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. The district had no capital leases or long-term obligations as of December 31, 2004.

### M. FUND EQUITY

#### Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

#### Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

### N. SALES TAXES

In 1997 the West Carroll Parish Police Jury passed a ½% sales tax for fire protection in West Carroll Parish. This tax is divided among the fire protection districts for this purpose. This was a 10-year tax.

### O. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not represent the financial position or result of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a compilation.

### NOTE 2. CASH AND CASH EQUIVALENTS

The Forest Fire District maintains two checking accounts in the Regions Bank in Oak Grove, Louisiana. The district had a balance in its accounts

# FOREST FIRE DISTRICT

Forest, Louisiana

## Notes to the Financial Statements For the Year ended December 31, 2006

on December 31, 2006 of \$41,256 and \$5,144 totaling \$46,400. The accounts are insured by the FDIC in the amount of \$100,000.

### NOTE 3. INVESTMENTS

The district has certificates of deposit in the West Carroll Community Bank and Regions Bank which are stated at cost on the enclosed statements. The CD's in the West Carroll Community Bank had a balance on December 31, 2006 of \$107,577 insured by the FDIC for \$100,000 and a security pledge of \$24,603 market value, original face value \$25,000. The CD in the Regions had a balance on December 31, 2006 of \$46,374. Both accounts were adequately insured and collateralized.

### NOTE 4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance December 31,2005	Additions	Deletions	Balance December 31,2006
Land	2000	0	0	2000
Building	71,900	0	0	71,900
Equipment	169,225	11,893	0	181,118
Total	243,125	11,893	0	255,018

### NOTE 5. LEASES

The district records items under capital leases as assets and obligations in the accompanying financial statements. The Forest Fire District had no capital leases at December 31, 2006.

### NOTE 6. RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose as required by FASB 57.

### NOTE 7. LITIGATION AND CLAIMS

The Forest Fire District is not a defendant in any litigation seeking damages.

**FOREST FIRE DISTRICT**  
Forest, Louisiana

Notes to the Financial Statements  
For the Year ended December 31, 2006

---

---

**NOTE 8. SUBSEQUENT EVENTS**

There were no events that occurred after year end and the issuing of this report that would materially effect the financial statements as issued.

**NOTE 9. BUDGET VARIANCES**

The budget variances were within the 5% limit as required by state law.



**SUPPLEMENTAL  
INFORMATION SCHEDULES**

FOREST FIRE DISTRICT  
Forest, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE  
For the year ended December 31, 2006  
COMPENSATION PAID COMMISSIONERS

The names and addresses of the commissioners who serve on the board of the Forest Fire District are listed below. They all serve without any financial compensation. They are as follows:

Vendal Fairchild – President  
4338 Hwy 582  
Oak Grove, LA 71263  
318/428-2643

Howard Ainsworth – Secretary  
P. O. Box 98  
Oak Grove, LA 71263  
318/428-2451

R. L. Frazier – Fire Chief  
4338 Hwy 582  
Oak Grove, LA 71263  
318/428-4883

Billy Calhoun  
2266 Skinner Lane  
Oak Grove, LA 71263  
318/428-3325

Brad Johnson  
2884 Hwy 582  
Oak Grove, LA 71263  
318/428-1102

Mike Berry  
2023 Highway 582  
Oak Grove, LA 71263  
318/428-4546