

GOODWILL FIRE DISTRICT, Inc.**Oak Grove, Louisiana**

**Report on Audit
Of
Basic Financial Statements
For the Year Ended
December 31, 2008**

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 8/12/09

PREPARED BY:

JIMMIE SELF, CPA
A Professional Accounting Corporation
2908 CAMERON STREET, SUITE C
MONROE, LOUISIANA 71201
Phone 318/323-4656 • FAX 388-0724

GOODWILL FIRE DISTRICT, Inc.

Oak Grove, Louisiana

**Report on Audit
Of
Basic Financial Statements
For the Year Ended
December 31, 2008**

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

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana

Table of Contents
As of and for the Year Ended December 31, 2008

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1-2
<u>Required Supplementary Information (Part I)</u>		
Management Discussion and Analysis		4-9
<u>Basic Financial Statements</u>		
Government-Wide Statements:		
Statement of Net Assets	A	11
Statement of Activities	B	12
<u>Fund Financial Statements</u>		
Governmental Funds:		
Balance Sheet – Governmental Funds	C	14
Reconciliation of the Balance Sheet to the Statement of Net Assets - Governmental Fund	C-1	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	D	16
Reconciliation of the Statement of Revenues Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-1	17
	<u>Schedule</u>	<u>Page</u>
Notes		19-26
<u>Required Supplementary Information (Part II)</u>		
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds Budget (GAAP Basis) to Actual	1	28

**GOODWILL FIRE DISTRICT
Oak Grove, Louisiana**

**Table of Contents
As of and for the Year Ended December 31, 2008**

Supplemental Information Schedules

Schedule of Compensation Paid Elected Officials	30
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31-32
Schedule of Findings and Responses	33

Jimmie Self, CPA
A Professional Accounting Corporation
2908 Cameron Street, Suite C
Monroe, Louisiana 71201
Phone 318-323-4656 Fax 318-388-0724

Independent Auditor's Report

Board of Directors
Goodwill Fire District
Oak Grove, Louisiana

I have audited the accompanying financial statements of the Goodwill Fire District, a component unit of the West Carroll Parish Police Jury, as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Goodwill Fire District's management. My responsibility is to express opinions on these financial statements, based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

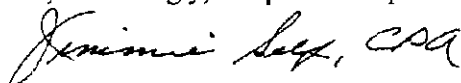
In my opinion, the respective financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Goodwill Fire District, as of December 31, 2008, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 25, 2009, on my consideration of the Goodwill Fire District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

As described in Note 10, due to a step-up from a compilation to an audit, the District has implemented the new financial reporting model as required by the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as of December 31, 2008.

The Management's Discussion and Analysis and the budgetary information on pages 4 – 9 and 28 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The other supplemental information listed in the Table of Contents, is presented for purpose of additional analysis and is not a required part of the basic financial statements of the Goodwill Fire District. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on it.



Jimmie Self, CPA
Monroe, Louisiana
June 25, 2009

Required Supplementary Information
(Part I)

Management Discussion and Analysis

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana
Management's Discussion and Analysis
December 31, 2008

As management of the Goodwill Fire District we offer readers the Management's Discussion and Analysis (MD&A), a narrative overview and examination of the financial activities for the year ended December 31, 2008. The MD&A is designed to provide an objective and easy to read evaluation of the District's financial activities based on currently known facts, decisions, and conditions. It is also intended to provide readers with a broad overview of the District's finances and an analysis of short-term and long-term activities of the District based on information presented in the financial report and fiscal policies that have been adopted. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the financial activity, identify changes in the District's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify fund issues or concerns.

As with other sections of the financial report, the information contained within the MD&A should be considered only a part of the greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes (Notes to the Financial Statements), reports, and the other Financial Statement Schedules (Required Supplementary Information) that are provided in addition to this Management Discussion and Analysis.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements
4. Other Supplementary Information, which is in addition to the basic financial statements themselves.

1. Government-Wide Financial Statements

Government-Wide Financial Statements are designed by GASB Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Assets and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to a private-sector business.

A. The *Statement of Net Assets* presents information on all the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or weakening.

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana
Management's Discussion and Analysis
December 31, 2008

B. The *Statement of Activities* presents information showing how government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

The government-wide financial statements further assist the reader in their evaluation by distinguishing functions of the District into:

- A. *Governmental activities* that are principally supported by taxes and intergovernmental revenues, and
- B. *Business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges. The District has no business-type activities.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer term view of the District's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. The District maintains one governmental fund, for daily operations.

Summary of Statement of Net Assets

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2008</u>
Current and other assets	80,442	64,628
Capital Assets	633,057	443,114
Total Assets	<u>713,449</u>	<u>507,742</u>
Current Liabilities	-	-
Long-Term Liabilities	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets		
Invested in capital Assets		
net of related debt	633,057	443,114
Restricted for debt	-	-
Unrestricted	<u>80,442</u>	<u>64,628</u>
Total net assets	<u>713,449</u>	<u>507,742</u>

The decrease in Capital Assets between 2007 and 2008 is because no depreciation was taken on Capital Assets prior to 2008. (See Note 4&9)

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana
Management's Discussion and Analysis
December 31, 2008

Governmental Activities

The Governmental Activities of the District include General Government and Public Safety. Sales taxes collected and distributed by the West Carroll Parish Police Jury, insurance rebates, interest, and grants fund most of these governmental activities.

Here we show the District's activities related to those functions typically associated with governments. In the chart below, General government is the only fund which provides fire protection.

Governmental Activities Expenditures	2007	%	2008	%
Public Safety – Fire Protection				
Operating Services	15,664	38	19,931	7
Materials and Supplies	6,825	16	6,505	3
Utilities	3,135	8	1,399	1
Capital	5,464	14	229,481	89
Miscellaneous	9324	24	0	
Total Program Expenses/Revenue	<u>\$ 40,412</u>	<u>100</u>	<u>\$ 257,316</u>	<u>100</u>

General revenues are those available for the District to use to pay for the governmental activities as described above.

General Revenues	2007	%	2008	%
Sales Taxes - W.C. Parish Police Jury	\$ 56,868	89	\$ 61,845	25
Insurance Rebate	6,030	9	6104	3
Miscellaneous	908	2	1365	1
Grant Revenues	0	0	172,188	71
Total General Revenues	<u>\$ 63,806</u>	<u>100</u>	<u>\$ 241,502</u>	<u>100</u>

For the prior year ended December 31, 2007, Sales Taxes were the largest revenue source for the District comprising 89 % of total governmental revenue. Insurance Rebate was the second largest revenue source for the District comprising 9% of the total governmental revenue.

For the current year ended December 31, 2008, the grant for a fire truck in the amount of \$172,188 was the largest revenue source for the District. Sales Tax revenues in the amount of \$61,845 are the second largest revenue source for the District comprising 25% of the total governmental revenue.

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana
Management's Discussion and Analysis
December 31, 2008

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like any other state or local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There is only a governmental fund in the Fire District

A. Governmental funds are used to account for most of the District's basic services as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Those funds are reported using modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on pages 15 and 17.

The District maintains one governmental fund. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund. The basic governmental fund financial statements can be found on pages 14 and 16 of this report.

Financial Analysis of Government Funds

At the close of the previous fiscal year ended December 31, 2007, the District's governmental funds reported combined ending fund balances of \$80,442.

At the close of the current fiscal year ended December 31, 2008, the District's governmental funds reported combined fund balances of \$64,628.

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana
Management's Discussion and Analysis
December 31, 2008

CHANGES IN FUND BALANCES	
Fund Balance Date	General and Debt Service Fund
December 31, 2007	\$ 80,442
December 31, 2008	\$ 64,628

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and financial statements. The notes to the financial statements can be found immediately following the section entitled "Basic Financial Statements."

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found beginning with a section entitled "Required Supplementary Information – Part I."

A. Budgetary Comparison Schedule – The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule (Schedule 1 in the Required Supplementary Information Part II section) has been provided for these funds to demonstrate compliance with the adopted budget and state laws.

B. Analysis of Significant Budget Variances in the General Fund and Fire Fund.

Budget Variances - General Fund and Fire Fund		
	2007	2008
Revenues	\$ 8,306 favorable	\$ 502 favorable
Expenditures	\$ 11,838 favorable	\$ 13,682 unfavorable

Other Supplementary Schedules

Other Supplementary Schedules are included in this report.

Capital Assets and Debt Administration

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana
Management's Discussion and Analysis
December 31, 2008

1. Capital Assets

For the prior year ended December 31, 2007, the District's investment in capital assets in its governmental activities was \$633,057. (Depreciation was not taken prior to 2008 since an audit was not required.)

For the current year ended December 31, 2008, the District's total investment in capital assets was \$862,538. The investment in capital assets in its governmental activities, net of accumulated depreciation, is \$443,114.

The investment in governmental activities capital assets includes land, buildings, furniture and fixtures, and trucks and equipment. Additions to governmental activities capital assets within the year in the amount of \$229,481 included a new fire truck and other accessories for the truck.

2. Long-Term Debt

At the end of the prior fiscal year ended December 31, 2007, the District had no indebtedness. At the end of the current fiscal year ended December 31, 2008, the District has no indebtedness.

This financial report is designed to provide a general overview of the District for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Goodwill Fire District, Earline McDonald, Secretary, 1358 Morgan Road, Oak Grove, LA 71263.

BASIC FINANCIAL STATEMENTS

**GOODWILL FIRE DISTRICT
Oak Grove, Louisiana**

EXHIBIT A

**STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 64,628
Capital Assets:	
Capital Assets, Net	<u>443,114</u>
Total Assets	<u>507,742</u>
LIABILITIES	
Current Liabilities	<u>-</u>
Total Liabilities	<u>-</u>
NET ASSETS	
Invested in capital assets, net of related debt	443,114
FUND BALANCE	
Unrestricted	<u>64,628</u>
TOTAL NET ASSETS	<u>\$ 507,742</u>

The accompanying notes are an integral part of these statements.

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana

EXHIBIT B

Statement of Activities
For the Year ended December 31, 2008

<u>Functions/Programs</u>	<u>Expenses/ Expenditures</u>	<u>Program Revenues</u>	<u>Capital Grants and Contributions</u>	<u>Net Program Expenses</u>
Governmental Activities				
General Government				
Fire Protection-operations	\$ (65,607)	\$ -	\$ 172,188	\$ 106,581
Total Expenses/Expenditures	\$ (65,607)	\$ -	\$ 172,188	\$ 106,581
Taxes.				
Sales Taxes			\$ 61,845	\$ 61,845
Insurance Rebate			6,104	6,104
Miscellaneous			1,368	1,368
Total General Revenues			<u>69,317</u>	<u>69,317</u>
Change in Net Assets			<u>175,898</u>	<u>175,898</u>
Net Assets, Beginning of Year			713,498	713,498
Prior Period Adjustment, to charge				
prior years depreciation due to GASB 34 (Note 9)			<u>(381,654)</u>	<u>(381,654)</u>
Net Assets, as restated-beginning of year			<u>331,844</u>	<u>331,844</u>
Net Assets-end of Year			<u>\$ 507,742</u>	<u>\$ 507,742</u>

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

**GOODWILL FIRE DISTRICT
Oak Grove, LA**

EXHIBIT C

**Balance Sheet
Governmental Funds
December 31, 2008**

	<u>General Fund</u>
Assets	
Cash	\$ 64,628
Total Assets	<u>\$ 64,628</u>
Liabilities and Fund Balance	
Liabilities: Current	<u>\$ -</u>
Total Liabilities	<u>-</u>
Fund Balance:	
Unreserved	<u>64,628</u>
Total fund balance	<u>64,628</u>
Total Liabilities and Fund Balance	<u>\$ 64,628</u>

The accompanying notes are an integral part of this statement.

**GOODWILL FIRE DISTRICT
Oak Grove, Louisiana**

EXHIBIT C-1

**Reconciliation of the Balance Sheet
to the Statement of Net Assets
Governmental Funds
For the Year ended December 31, 2008**

Fund Balances - Total Governmental Funds \$ 64,628

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, net of accumulated depreciation of \$443,114 are not financial resources, therefore are not reported in the governmental funds. (See Note 4) 443,114

Net Assets of Governmental Activities \$ 507,742

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS REPORT

GOODWILL FIRE DISTRICT
Oak Grove, LA

Exhibit D

GOVERNMENTAL FUND TYPE - GENERAL FUND
Statement of Revenues, Expenditures,
And Changes in Fund Balance

For the Year ended December 31, 2008

	<u>General Fund</u>
REVENUES	
West Carroll Parish Police Jury	\$ 61,845
2% Insurance Rebate	6,104
Grant	172,188
Miscellaneous	1,365
Total Revenues	<u>241,502</u>
EXPENDITURES	
Current - Public Safety:	
Operating Services	19,931
Material and Supplies	6,505
Utilities	1,399
Capital Outlay	<u>229,481</u>
Total Expenditures	<u>257,316</u>
Excess of Expenditures over Revenues	(15,814)
Fund Balance at Beginning of Year	80,442
Fund Balance at End of Year	<u>\$ 64,628</u>

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

**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, 2008**

Net Change in Fund Balances - Total Governmental Funds \$ (15,814)

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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period

Total capital outlays	229,481	
Current depreciation	<u>(37,769)</u>	
See Note 4 - Capital Assets	<u>191,712</u>	191,712

Total Change in Net Assets \$ 175,898

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT

**NOTES
TO THE
FINANCIAL STATEMENTS**

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2008

This legal entity was established to provide fire protection for the political subdivision of Ward 3, an area in and around the community of Goodwill, in the parish of West Carroll, 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. FINANCIAL 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 criterion includes:

- a. 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.
- b. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- c. 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 Goodwill 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

GOODWILL FIRE DISTRICT

Oak Grove, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2008

jury, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

B. BASIS OF PRESENTATION

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities display information about the Goodwill Fire District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources, measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchanges occur (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions and activities.

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. The only fund for the District is the governmental fund, which is also a major fund. The fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues or expenditures of the individual

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2008

governmental fund is at least 10% of the corresponding total for all governmental funds. The major fund of the District is described below:

Governmental Fund Type

General Fund – This is the general operating fund of the District and accounts for all financial activities.

C. BASIS OF ACCOUNTING

The amounts reflected in the governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District operations. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The amounts reflected in the governmental funds use the modified accrual basis of accounting, revenues 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 in the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for the interest and principle payments on long-term debt which is recognized when due, and certain compensated absences and claims of judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

All revenues are recorded when the District is entitled to the funds.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting, when the liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have accumulated in the debt service fund for payments to be made early in the

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2008

following year. Capital expenditures are regarded as expenditures at the time purchased.

D. BUDGET PRACTICES

The proposed budget, prepared on the GAAP basis of accounting, was prepared and adopted by the board of commissioners in December, 2007. 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 year-end and must be re-appropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts in the accompanying financial statements included the original adopted budget. There were subsequent amendments to the budget. A review of the budgeted and actual disbursements showed them to be within the 5% limit.

E. 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 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 the amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

F. INVESTMENTS

Investments are limited by the Louisiana Revised Statute R. S. 33:2955 and the political subdivision's investment policy. If 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 and bank certificates of deposit are stated at cost.

G. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2008

commitments for the expenditure of moneys are recorded in order to reserve that portion of applicable appropriation is not employed by the District as an extension of formal budgetary integration in the funds.

H. RISK MANAGEMENT

The fire District is exposed to various risks 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 carries insurance coverage with the Bernard Insurance Agency in Shreveport, LA. The policy covers general liability, property damage, employee liability, 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 12/31/2008.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of donation. The District maintains a threshold level of \$600 or more for capitalizing capital assets. Due to the fact the District has in the past been reporting utilizing compiled financial statements, and with the current increase in revenues necessitating an audit of the financial statements, this is the first time they have implemented GASB 34, hence no prior depreciation has been charged. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental fund and the related assets are reported as capital assets in the general fund. All purchased capital assets are valued at historical cost. Approximately 50 per cent of capital assets are valued at actual cost while the remaining 50 percent is valued at estimated cost, based on the actual historical cost of like items.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. No salvage value is used for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Useful Lives</u>
Buildings	30 Years
Equipment	5-20 Years
Vehicles	10-20 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Due to implementation of GASB 34 at December 31, 2008, the depreciation charged is due to depreciation being computed for the general fund. In the fund financial

GOODWILL FIRE DISTRICT

Oak Grove, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2008

statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

J. EQUITY CLASSIFICATION

In the government-wide statements, equity is classified as net assets and displayed in three components:

a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted", or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

K. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 statement, and the reported amounts of revenue, and expenditures during the reporting period. Actual results could differ from those estimates.

L. LONG TERM DEBT

All long-term debts to be repaid from governmental resources are reported as liabilities in the government-wide statements. Long-term debts for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment and interest reported as expenditures.

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2008

M. SALES TAXES

In 1997, the West Carroll Parish Police Jury passed a ½ % sales tax for fire protection in the parish. This tax is divided among the fire districts for the purpose of fire protection. This was a 10-year tax. The tax was again placed before the people in a 2006 voting referendum and was approved for re-enactment in 2007. The proceeds from this tax are collected by the police jury and passed along to the individual fire districts on a monthly basis.

NOTE 2. CASH AND CASH EQUIVALENTS

The Goodwill Fire District maintains its checking accounts in the Regions Bank in Oak Grove, Louisiana. The District had a balance in its accounts on December 31, 2008 of \$64,628. The accounts are insured by the FDIC in the amount of \$100,000.

NOTE 3. INVESTMENTS

The District has no investments as of December 31, 2008.

NOTE 4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

CHANGES IN CAPITAL ASSETS

	Original Basis @ 12/31/07	2008 Addns	Balance Before Deprec	Accum Deprec	Balance Before Current Deprec	Current Deprec	Total Accum Deprec	Net Basis @ 12/31/08
Land	10,000	-	10,000	-	10,000	-	-	10,000
Bldg	240,000	-	240,000	125,437	114,563	6,000	131,437	108,563
Furn/Fixt	1,100	-	1,100	1,100	-	-	1,100	-
Trucks/Eqpt	381,957	229,481	611,438	255,117	356,321	31,769	286,886	324,552
TOTALS	633,057	229,481	862,538	381,654	480,884	37,769	419,423	443,114

1. Land is not depreciated.
2. Original basis prior to 2004 has been estimated by management.
3. Depreciation expense in the amount of \$37,769 was allocated to fire fighting and rescue in 2008. (See also NOTE 9.)

GOODWILL FIRE DISTRICT
Oak Grove, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2008

NOTE 5. DEBTS PAYABLE

The District has no indebtedness as of December 31, 2008

NOTE 6. RELATED PARTY TRANSACTIONS

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

NOTE 7. LITIGATION AND CLAIMS

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

NOTE 8. SUBSEQUENT EVENTS

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

NOTE 9. PRIOR PERIOD ADJUSTMENT

The prior period adjustment resulted from Accumulated Depreciation which had not been used, due to no previous audits, only compilations. The prior period adjustment of \$381,654 resulted in a decrease in net capital assets of \$381,654 and a corresponding decrease in fund balance.

Prior Accumulated Depreciation	\$ 381,654
Current Year Depreciation	37,769
Total Accumulated Depreciation	<u>\$ 419,423</u>

NOTE 10. UPGRADE FROM COMPILATION TO AUDIT

Goodwill Fire District has for the past several years reported its governmental activities in the form of a compilation as required by Louisiana statutes. For the year ended December 31, 2008, the District received substantial grant revenues for the purchase of a fire truck which pushed the total revenues for the year over the limit for reporting by way of a compilation. Management has agreed to report by way of an audit for the year ended December 31, 2008.

Required Supplementary Information
(Part II)

GOODWILL FIRE DISTRICT
Goodwill, La

SCHEDULE 1

GOVERNMENTAL FUND TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2008

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
West Carroll Parish Police Jury	\$ 50,000	\$ 57,000	\$ 61,845	\$ 4,845
2% Insurance Rebate	5,500	6,000	6,104	104
Grant		178,000	172,188	(5,812)
Miscellaneous		-	1,365	1,365
Total Revenues	55,500	241,000	241,502	502
EXPENDITURES				
Current - Public Safety				
Operating Services	19,000	22,134	19,931	2,203
Material and Supplies	4,650	18,000	6,505	11,495
Utilities	2,600	3,500	1,399	2,101
Maintenance and Repairs	26,000			
Capital Outlay	-	200,000	229,481	(29,481)
Total Expenditures	52,250	243,634	257,316	(13,682)
EXCESS OF EXPENDITURES OVER REVENUES	3,250	(2,634)	(15,814)	(13,180)
FUND BALANCE AT BEGINNING OF YEAR	57,048	60,298	80,442	20,144
FUND BALANCE AT END OF YEAR	\$ 60,298	\$ 57,664	\$ 64,628	\$ 6,964

**SUPPLEMENTAL
INFORMATION SCHEDULES**

**GOODWILL VOLUNTEER FIRE DISTRICT
Oak Grove, Louisiana**

**COMPENSATION PAID COMMISSIONERS
For the year ended December 31, 2008**

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

Ray Taylor – President
1197 Highway 2
Oak Grove, LA 71263
318/428-2523

Jack Libby – Fire Chief
1798 Hwy 2
Oak Grove, LA 71263
318/428-7603

Jerry Allen – Assistant Fire Chief
3904 Hwy 2
Oak Grove, LA 71263
318/428-9043

Earline McDonald – Secretary
1358 Morgan Road
Oak Grove, LA 71263
318/428-2083

Roger R. Robinson
579 Calvert Road
Oak Grove, LA 71263
318/428-1746

Yancy Pittman
2547 Watts Road
Oak Grove, LA 71263
318/428-2232

Jimmie Self, CPA
A Professional Accounting Corporation
2908 Cameron St, Suite C
Monroe, LA 71201
Phone (318)-323-4656 • Fax (318)388-0724

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
Goodwill Fire District
Oak Grove, Louisiana

I have audited the financial statements of the governmental activities as of and for the year ended December 31, 2008, which collectively comprise the Goodwill Fire District's basic financial statements and have issued my report thereon dated June 25, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Goodwill Fire District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Goodwill Fire District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Goodwill Fire District's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or its employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in

accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Goodwill Fire District's financial statements that is more than inconsequential will not be prevented or detected by the Goodwill Fire District's internal control. I consider the deficiency described in the accompanying Schedule of Findings and Responses (#2008-1) to be a significant deficiency in the internal control over financial reporting.

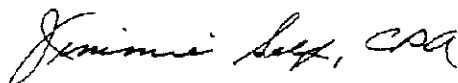
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Goodwill Fire District's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that none of the significant deficiencies described above is a material weakness

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Goodwill Fire District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other such matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management of Goodwill Fire District, others within the Goodwill Fire District, and the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Jimmie Self, CPA
Monroe, Louisiana
June 25, 2009

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

SCHEDULE OF FINDINGS AND RESPONSES
GOODWILL FIRE DISTRICT
Oak Grove, Louisiana

Findings for the Current Year Ended December 31, 2008

Finding 2008-01:

The district has inadequate segregation of duties. Because this is a small organization and all personnel are voluntary, the District cannot solve this problem.

Findings for the Prior Year Ended June 30, 2007

None.