

FIRE PROTECTION DISTRICT NO. 12
Cherryville, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1986

NOTE 5 - FIXED ASSETS

A summary of property and equipment is provided:

	Beginning Balance	Additions	Dispositions	Ending Balance
Land	\$ 10,745			\$ 10,745
Building	81,714			81,714
Trucks	131,458			131,458
Equipment	11,584			11,584
Totals	\$235,501	\$	\$	\$235,501

The above property and equipment includes trucks and equipment that were donated. The following is a list and their estimated values at the time of donation:

1. 1973 GMC, 3500 gal tanker	\$ 5,000
2. 1974 Ford F90, 500 gal	8,000
3. 1976 Dodge, 500 gal	2,500
4. 1977 GMC, 2500 gal	7,000
5. Small tools	4,000
6. 1980 Single axle diesel truck	2,500
7. 1981 Terex axle diesel truck	3,000
8. 10 KW Daimler generator, diesel	500
9. 4 inch Densy pump, diesel	700
10. 6 dry hydrants	1,240
Total	\$24,540

The above equipment was donated by the Town of Cherryville, U.S. Forestry Department, the Department of Agriculture and the Rapides Parish Police Jury.



DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Fire Protection District No. 12
Cherryville, Louisiana

We have audited the financial statements of Fire Protection District No. 12 as of and for the year ended December 31, 1996, and have issued our report thereon dated

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to Fire Protection District No. 12 is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners, management and applicable state and federal agencies. However, this report is a matter of public record and its distribution is not limited.

Dautzat Beall & DeBevec
Certified Public Accountants

May 2, 1997

design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Commissioners, management and all applicable state and federal agencies. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant

May 2, 1997

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FIRE PROTECTION DISTRICT NO. 12
Cheneyville, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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: JUN 1 1997



DAUZAT, BEALL & DEBEVEC, CPAs

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Fire Protection District No. 12
Chesapeake, Louisiana

We have audited the general purpose financial statements of Fire Protection District No. 12 as of and for the year ended December 31, 1996, and have issued our report thereon dated May 2, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Fire Protection District No. 12 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies may deteriorate.

In planning and performing our audit of the general purpose financial statements of Fire Protection District No. 12 for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the

NOTE 6 - GENERAL LONG-TERM DEBT

The District issued a certificate of indebtedness to the Farmers Bank of Cheneyville, Louisiana in the amount of \$175,000. Payments of principal and/or interest are due on March 1 of each year.

Annual debt service requirements to maturity for the certificate of indebtedness are as follows:

<u>Due Date</u>	<u>Principal Due</u>
March 1, 1997	38,000
March 1, 1998	30,000
Total	<u>\$ 68,000</u>

Interest is payable annually at a rate per annum equal to the prime lending rate of The Chase Manhattan Bank, N.A., in the City of New York, New York plus one percent (1%). The prime rate is adjusted automatically as of the opening of business on the effective date of any change therein, but in no event, however, shall the interest rate exceed twelve per centum (12%) per annum.

The District adopted a resolution on June 11, 1991, whereby the District was unable to pay the March 1, 1991, installment due and the Farmers Bank of Cheneyville agreed to continue the nonpayment by adding \$2,000 to the remaining seven (7) annual principal installments.

During the year ended December 31, 1996, the following changes occurred in general long-term debt:

<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31</u>
\$ 84,000	-	\$ 26,000	\$ 58,000

NOTE 7 - BOARD OF COMMISSIONERS

Each of the Board of Commissioners served without compensation for the period year ended December 31, 1996.

FIRE PROTECTION DISTRICT NO. 12
Cherryville, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1986

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles 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

GASB Statement No. 14 has established standards for defining and reporting on the financial reporting entity. According to GASB Statement No. 14, a state may allow local governments to form regional governments or similar entities to provide goods or services to the citizens served by the local governments. When an arrangement of this type does not create an ongoing financial interest or responsibility for the participating governments, the newly formed entity is considered a jointly governed organization.

On July 21, 1987, the Police Jury of the Parish of Rapides, State of Louisiana, and the Town of Cherryville formed the Fire District No. 12 to provide fire protection services to citizens served by the local governments. Since neither the Rapides Parish Police Jury nor the Town of Cherryville has an ongoing financial interest or responsibility in the District's operations, the District is a jointly governed organization. The District's status as a jointly governed organization enables it to issue financial statements separate from those of the participating governments.

The accompanying financial statements of the District present the financial position of the governmental fund type and account groups, and the results of operations of these funds.

FIRE PROTECTION DISTRICT NO. 12
Cheneyville, Louisiana
GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1996

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DAUZAT, BEALL & DEBEVEC, CPAs

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Fire Protection District No. 12
Chesneyville, Louisiana

We have audited the accompanying general purpose financial statements of Fire Protection District No. 12 as of December 31, 1996, and for the year then ended. These general purpose financial statements are the responsibility of the District's Board of Commissioners. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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. We believe that our audit provides a reasonable basis for our opinion.

In accordance with Government Auditing Standards, we have also issued a report dated May 2, 1997, on our consideration of Fire Protection District No. 12's internal control structure and a report dated May 2, 1997, on its compliance with laws and regulations.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Fire Protection District No. 12 as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.


David Beall & Debevec
Chartered Public Accountants
May 2, 1997

FIRE PROTECTION DISTRICT NO. 12
Cherryville, Louisiana

STATED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1996

	Governmental	Account Groups		Total (Miscellaneous Only)
	Fund Type	General Fund	General Fund Assets	
ASSETS AND OTHER DEBITS				
Assets				
Cash	\$ 22,348			\$ 22,348
Prepaid	2,746			2,746
Receivables	49,610			49,610
Property and equipment		\$ 203,480		203,480
Other Debits				
Amount to be provided for retirement of general long-term debt			\$ 58,000	\$ 58,000
Total Assets and Other Debits	\$ 74,304	\$ 203,480	\$ 58,000	\$ 269,784
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable	\$ 208			\$ 208
Certificate of indebtedness			\$ 58,000	58,000
Total Liabilities	208		58,000	58,208
Equity				
Investment in general fixed assets		\$ 203,480		\$ 203,480
Fund balance				
Retained for debt service	74,600			74,600
Total Equity	74,600	203,480		218,080
Total Liabilities and Equity	\$ 74,808	\$ 203,480	\$ 58,000	\$ 269,288

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 12
Cheneyville, Louisiana

GOVERNMENTAL FUND - TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1996

REVENUES

Intergovernmental revenues:	
Taxes - ad valorem	\$ 60,871
State revenue sharing	1,847
Interest earnings	816
Total Revenues	<u>63,734</u>

EXPENDITURES

Current:

General government:	
Legal and accounting	2,450
Insurance	8,024
Office expense	255
Repairs and maintenance	898
Utilities and telephone	178
Other	1,158
Public safety:	
Fuel	489
Debt service:	
Principal	26,080
Interest	<u>7,682</u>
Total Expenditures	<u>48,012</u>
EXCESS REVENUES OVER EXPENDITURES	15,697
FUND BALANCE, DECEMBER 31, 1995	<u>38,542</u>
FUND BALANCE, DECEMBER 31, 1996	<u>\$ 25,618</u>

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 12
Cherryville, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1990

NOTE 8 - LOUISIANA FIREFIGHTERS RETIREMENT SYSTEM

Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance prior to January 1, 1980, exempting itself from participation in the System.

State statute requires covered employees to contribute a percentage of their salaries to the System. Employee contributions are determined annually based on results of the valuation of the prior fiscal year with adjustments for any dedicated tax monies or appropriate funds.

Even though the District has not had any employees since inception, it has made employer contributions annually into the System as assessed by the Rapides Parish Sheriff's Office, the parish tax collector.

FIRE PROTECTION DISTRICT NO. 12
Cherryville, Louisiana

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, 1995

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues:			
Taxes - ad valorem	\$ 46,000	\$ 46,071	\$ (70)
State revenue sharing	1,800	1,847	(47)
276 insurance rebate	7,000		(7,000)
Interest earnings		836	836
Miscellaneous	200		(200)
Total Revenues	44,800	48,754	13,954
EXPENDITURES			
Current:			
General Government:			
Legal and accounting	1,400	1,458	(58)
Insurance	11,000	9,124	1,876
Office expense	350	350	0
Repairs and maintenance	1,000	838	162
Utilities and telephone	750	779	(29)
Other	500	1,256	(756)
Public Safety:			
Fuel	400	400	0
Utilities	200		(200)
Debt Service:			
Principal	20,000	20,000	0
Interest	8,000	7,000	1,000
Total Expenditures	48,650	46,857	1,793
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES		11,897	15,161
Fund Balance, December 31, 1994	18,542	18,542	0
Fund Balance, December 31, 1995	1,1894	3,0419	1,8525

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 12
Cherryville, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Total Column on Statement

The total column on the combined balance sheet is captioned "watershed only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles, neither is such data comparable to a consolidation.

NOTE 2 - CASH

Only one bank account is maintained and utilized by the District for all receipts and disbursements. Funds are deposited in an account covered by federal depository insurance, up to a maximum of \$100,000.

NOTE 3 - PREPAIDS

Payments made to vendors for services that will benefit periods beyond December 31, 1996, are recorded as prepaid items. The District had prepaid insurance of 32,746 at December 31, 1996. Insurance policies carried by the District include a business package policy, errors and omissions and vehicular coverage.

NOTE 4 - RECEIVABLES

Receivables at December 31, 1996, consisted of property taxes and account interest of \$49,643. Property taxes are assessed and billed before the end of each calendar year, and become delinquent on December 31.

FIRE PROTECTION DISTRICT NO. 12
Cheneyville, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues and expenditures. The general fund is the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

D. Basis of Accounting

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 measurements made, regardless of the measurement basis applied.

The governmental fund type is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within 60 days after year-end.

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

E. Budgets

The District agreed to budget annually a sufficient sum of money to pay the principal and interest on the certificate of indebtedness. A budget for the year ended December 31, 1996, was adopted and approved by the board of commissioners.

Expenditures may not legally exceed budgeted amounts at the activity level.

FIRE PROTECTION DISTRICT NO. 12
Cherryville, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrances (Continued)

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which commitments for the expenditure of resources are recorded to reserve that portion is not utilized in the general fund by the District.

F. Certificate of Indebtedness

The District issued a certificate of indebtedness to the Farmers Bank of Cherryville, Louisiana. As part of legal restrictions, the District was required to establish a separate debt service fund (sinking fund) for the payments of principal and interest. The bank waived this requirement since the sole purpose of this separate fund would be to receive an annual transfer of principal and interest. The debt is serviced, secured by and payable solely from a pledge and dedication of the excess of annual revenues above statutory, necessary and usual charges in each fiscal year to December 31, 1998, inclusive.

G. Fixed Assets

Land, building, and equipment is recorded at cost for purchased assets or at fair market value on the date of any donation. Expenditures for additions and betterments are capitalized and expenditures for maintenance and repairs are charged to operations as incurred.

The cost of assets retired or otherwise disposed of are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are charged to operations currently.

Fixed assets are recorded and reported in the general fixed assets account group. No depreciation has been provided on general fixed assets.