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FIRE PROTECTION DISTRICT NO. 9
OF CADDO PARISH
DIXIE GARDENS, LOUISIANA
DECEMBER 31, 1999

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 4/12/00

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

DIXIE GARDENS, LOUISIANA

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COMPILED FINANCIAL STATEMENTS

**HEARD
McELROY
& VESTAL**
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March 2, 2000

Board of Commissioners
Fire Protection District No. 9 of Caddo Parish
Dixie Gardens, Louisiana

We have compiled the accompanying component unit financial statements of Fire Protection District No. 9 of Caddo Parish, a component unit of the Caddo Parish Commission, as of and for the year ended December 31, 1999, 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 component unit financial statements information that is the representation of the District. We have not audited or reviewed the accompanying component unit financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Heard, McElroy & Vestal, LLP

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

ALL FUND TYPES AND ACCOUNT GROUPS

BALANCE SHEET AT DECEMBER 31, 1999

	<u>Governmental Fund General Fund</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
<u>ASSETS AND OTHER DEBITS</u>			
Cash-Note 3	25,821	-	25,821
Certificates of deposit	26,029	-	26,029
Receivables:			
Ad valorem taxes	42,919	-	42,919
State revenue sharing	342	-	342
Deposits	250	-	250
Other debits:			
Buildings-Note 4	-	35,243	35,243
Equipment-Note 4	-	21,854	21,854
Autos-Note 4	-	2,750	2,750
Fire truck-Note 4	-	104,699	104,699
Total assets and other debits	<u>95,361</u>	<u>164,546</u>	<u>259,907</u>
<u>FUND EQUITY</u>			
Fund equity:			
Fund balance-unreserved and undesignated	95,361	-	95,361
Investment in general fixed assets	-	164,546	164,546
Total fund equity	<u>95,361</u>	<u>164,546</u>	<u>259,907</u>

See accompanying notes and accountants' report.

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>General Fund</u>
<u>Revenues:</u>	
Ad valorem taxes-Note 2	46,745
Interest	1,342
Intergovernmental revenues-state funds:	
State revenue sharing	1,015
Fire insurance premium rebate	<u>2,033</u>
Total revenues	51,135
<u>Expenditures:</u>	
Public safety-fire protection:	
Dues	129
Utilities	882
Insurance	2,791
Operating supplies	1,940
Capital outlay-Note 4	5,195
Repairs and maintenance	1,274
Medical supplies	3,581
Sheriff's commissions	1,269
Communications and telephone	2,113
Vehicle operations	438
Audit fees	1,000
Training and education	1,580
Firefighting supplies	5,734
Contract services	1,450
Legal services	3,688
Miscellaneous	<u>2,764</u>
Total expenditures	<u>35,828</u>
<u>Excess of revenues over expenditures</u>	15,307
<u>Fund balance at beginning of year</u>	<u>80,054</u>
<u>Fund balance at end of year</u>	<u>95,361</u>

See accompanying notes and accountants' report.

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-

BUDGET (CASH BASIS) AND ACTUAL (CASH BASIS)

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Ad valorem taxes	35,000	45,865	10,865
Interest	-	1,342	1,342
Intergovernmental revenues-state funds:			
State revenue sharing	1,100	1,010	(90)
Fire insurance premium rebate	<u>1,900</u>	<u>2,033</u>	<u>133</u>
Total revenues	<u>38,000</u>	<u>50,250</u>	<u>12,250</u>
<u>Expenditures:</u>			
Public safety-fire protection:			
Insurance	3,200	2,791	409
Legal fees	3,700	3,688	12
Utilities	1,450	882	568
Dues	254	129	125
Audit fees	1,400	1,000	400
Training and education	2,000	1,580	420
Publicity	35	30	5
Medical supplies	3,600	3,581	19
Vehicle operations	450	438	12
Operating supplies and expenses	2,125	1,940	185
Communications and telephone	2,100	2,083	17
Capital outlay and firefighting supplies	7,130	6,480	650
Repairs and maintenance	1,500	1,274	226
Miscellaneous	1,000	809	191
Contract services	1,500	1,450	50
Uncommitted reserves	<u>6,556</u>	<u>6,405</u>	<u>151</u>
Total expenditures	<u>38,000</u>	<u>34,560</u>	<u>3,440</u>
<u>Excess of revenues over expenditures</u>	<u>-</u>	15,690	<u>15,690</u>
<u>Fund balance at beginning of year</u>		<u>38,989</u>	
<u>Fund balance at end of year</u>		<u>54,679</u>	

See accompanying notes and accountants' report.

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1999

INTRODUCTION

Fire Protection District No. 9 of Caddo Parish was created in 1990 by resolution of the Caddo Parish Commission to purchase and maintain fire equipment and to provide fire protection for the people of Fire Protection District No. 9 of Caddo Parish. Operations began in May, 1990. The district is governed by a board of commissioners consisting of 5 members, all of whom are appointed by the Caddo Parish Commission. Members serve two-year terms and receive no compensation for their services. Fire protection services are provided on a voluntary basis, as the district has no employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of Fire Protection District No. 9 of Caddo Parish have been prepared in conformity with 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

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Caddo Parish Commission for financial reporting purposes. The basic criteria 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. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the commission to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the commission.
2. Organizations for which the commission does not appoint a voting majority but are fiscally dependent on the commission.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Caddo Parish Commission appoints all members of the governing board and has the ability to impose its will on them, the district was determined to be a component unit of the Caddo Parish Commission, the governing body of the parish. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish commission, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. FUND ACCOUNTING

The district uses a fund and an account group (general fixed assets) 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. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The general fund of the district is classified as a governmental fund. Governmental funds account for the district's general activities, including the 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. All financial resources are accounted for in the general fund.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund is 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. Operating statements of this fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Substantially all other revenues are recorded when they become available to the district.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources. Debt proceeds are accounted for as other financing sources.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

E. BUDGETS

The budget for the ensuing year is prepared by district personnel prior to December 31 of each year. The budget is then made available for public inspection at least fifteen days prior to the budget's adoption during the district's regular December meeting. The budget is prepared on the cash basis of accounting, and is legally adopted and amended, if necessary, by the Board of Commissioners. Unexpended appropriations lapse at year end and must be reappropriated in the following year's budget to be expended. Budget amounts included in the accompanying financial statements include the original adopted budget and any subsequent amendments.

The following is a reconciliation of excess of revenues over expenditures (GAAP basis) presented on Pages 3 and 4:

Excess of revenues over expenditures (budget basis)	15,690
Adjustments:	
Property tax accruals, net	880
Revenue sharing accruals and other	5
Capital outlay and firefighting supplies	(1,285)
Other, net	<u>17</u>
Excess of revenues over expenditures (GAAP basis)	<u>15,307</u>

F. CASH AND CERTIFICATES OF DEPOSIT

Cash includes amounts in demand deposits and interest bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

H. OBLIGATIONS UNDER CAPITAL LEASES

Obligations under capital leases expected to be financed from the governmental fund are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental fund when due.

I. 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 present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes and parcel fees for 1999:

	<u>Authorized</u>	<u>Levied</u>
Maintenance and operation tax (millage)	11.75	11.75
Parcel fee (per parcel of business property)	\$75.00	\$75.00

3. CASH

At December 31, 1999, the district has cash (book balances) in demand deposits and certificates of deposit that total \$51,850. These deposits are stated at cost, which approximates market value. All of the deposits are secured by federal deposit insurance.

4. CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	<u>Balance January 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 1999</u>
Autos	-	2,750	-	2,750
Buildings	35,243	-	-	35,243
Equipment	19,409	2,445	-	21,854
Fire truck	<u>104,699</u>	<u>-</u>	<u>-</u>	<u>104,699</u>
Total	<u>159,351</u>	<u>5,195</u>	<u>-</u>	<u>164,546</u>

5. LITIGATION AND CLAIMS

At December 31, 1999, the district is not involved in any litigation or aware of any claims.

March 29, 2000

Board of Commissioners
Fire Protection District No. 9 of Caddo Parish
Dixie Gardens, Louisiana

Independent Accountant's Report
on Applying Agreed-Upon Procedures

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Fire Protection District No. 9 of Caddo Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 1999 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditure for materials and supplies during the year exceeded \$15,000. No expenditures were made for public works.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

The District is a volunteer fire department and has no employees; consequently, no family members of the District's governing authority are employees.

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

The District is a volunteer fire department and has no employees; consequently, no family members of the District's governing authority are employees.

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

The District is a volunteer fire department and has no employees; consequently, no family members of the District's governing authority are employees.

Budgeting

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

Management provided us with a copy of the original budget. There were three amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held in January 7, 1999, which indicated that the budget had been adopted by the commissioners of Fire Protection District No. 9 of Caddo Parish by unanimous vote. No action was taken on the budget at the regular meeting of December 21, 1998 as no quorum was present. Amendments to the budget were made three times during the year, each was traced to authorization per the minute book.

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

Actual revenues exceeded budgeted revenues; budgeted expenses exceeded actual expenses.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:
 - (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

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

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval from the District's Board chairman and an additional Board member.

Meetings

- 9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District posts a notice of each monthly meeting and the accompanying agenda on the exterior bulletin board of its facility. We also inspected a copy of the annual announcement placed in the District's official journal.

Debt

- 10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

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

Advances and Bonuses

- 11. Examine disbursement records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted. We also inspected disbursement records for the year and noted no instances which would indicate payments that would constitute bonuses, advances, or gifts.

Board of Commissioners
Fire Protection District No. 9 of Caddo Parish
March 29, 2000
Page 4

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Fire Protection District No. 9 of Caddo Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Heard, McElroy + Vestal, LLP