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HOLLY RIDGE FIRE PROTECTION DISTRICT  
RICHLAND PARISH POLICE JURY  
Rayville, Louisiana

Component Unit Financial Statements  
As of and for the Year Ended  
December 31, 1995

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 8-21-96

Karen M. Hollis, CPA  
PO Box 397  
311 Madeline Street  
Rayville, Louisiana  
(318) 728-6588

Holly Ridge Fire Protection District  
Richland Parish Police Jury  
Rayville, Louisiana

Component Unit Financial Statements  
As of and for the Year Ended December 31, 1995  
With Supplemental Information

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KAREN M. HOLLIS

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 397  
611 Madeline Street  
Rayville, LA 71269  
Phone: (318) 728-6588

Accountant's Report

BOARD OF COMMISSIONERS  
HOLLY RIDGE FIRE PROTECTION DISTRICT  
RICHLAND PARISH POLICE JURY  
Rayville, Louisiana

I have compiled the accompanying component unit financial statements of the Holly Ridge Fire Protection District, a component unit of Richland Parish Police Jury, as of December 31, 1995, and 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 information that is the representation of the Board. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Rayville, Louisiana  
April 15, 1996

HOLLY RIDGE FIRE PROTECTION DISTRICT  
 RICHLAND PARISH POLICE JURY  
 Rayville, Louisiana  
 ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1995

	GOVERNMENTAL FUND - GENERAL FUND	ACCOUNT GROUPS		TOTAL, (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
<u>ASSETS</u>				
Cash and Cash equivalent (note 3)	\$ 73,948	\$	\$	\$ 73,948
Receivables - Parcel fees (note 4)	44,959			44,959
Land, buildings, vehicles, equipment (note 5)		583,375		583,375
Amount to be provided for retirement of general long-term debt (note 8)			395,827	395,827
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	<u>\$118,907</u>	<u>\$583,375</u>	<u>\$395,827</u>	<u>\$1,098,109</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities - accounts payable	\$ 669	\$	\$	\$ 669
General obligation bonds payable			395,827	395,827
Fund Equity:				
Investment in general fixed assets		583,375		583,375
Reserved for debt service	27,213			27,213
Fund balance-unreserved-undesignated	91,025			91,025
Total Fund Equity	<u>118,238</u>	<u>583,375</u>	<u>395,827</u>	<u>1,097,440</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$118,907</u>	<u>\$583,375</u>	<u>\$395,827</u>	<u>\$1,098,109</u>

See accountant's report and accompanying notes.

HOLLY RIDGE FIRE PROTECTION DISTRICT  
 RICHLAND PARISH POLICE JURY  
 Rayville, Louisiana  
 GOVERNMENTAL FUND - GENERAL FUND

Statement B

Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 For the Year Ended December 31, 1995

	December 31, 1995
<u>REVENUES</u>	
Parcel Fees	\$ 66,300
Intergovernmental revenues-Richland Parish Police Jury - 2 per cent fire rebate	4,896
Interest Income	3,460
Miscellaneous revenues	160
Parcel fee refunds	<u>(100)</u>
TOTAL REVENUES	<u>74,716</u>
<u>EXPENDITURES</u>	
Public safety - fire protection:	
Legal and accounting	5,628
Insurance	13,618
Fuel	2,543
Repairs and maintenance	1,924
Utilities	1,797
Operations	2,012
Capital outlay	100
Debt service:	
Principal	23,045
Interest	<u>24,811</u>
TOTAL EXPENDITURES	<u>75,478</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(762)
FUND BALANCE AT BEGINNING OF YEAR	<u>119,000</u>
FUND BALANCE AT END OF YEAR	<u>\$118,238</u>

See accountant's report and accompanying notes.

HOLLY RIDGE FIRE PROTECTION DISTRICT  
 RICHLAND PARISH POLICE JURY  
 Rayville, Louisiana  
 GOVERNMENTAL FUND - GENERAL FUND

Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget (Cash Basis) and Actual  
 For the Year Ended December 31, 1995

		December 31, 1995	
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Parcel Fees	\$ 101,208	\$ 78,363	\$ (22,845)
Intergovernmental revenues			
- 2 per cent fire rebate	4,900	4,896	(4)
Interest Income	-	3,460	3,460
Miscellaneous revenues	-	160	160
Parcel fee refunds	-	(100)	(100)
	<u>106,108</u>	<u>86,779</u>	<u>(19,329)</u>
<u>EXPENDITURES</u>			
Public safety - fire protection:			
Legal and accounting	2,500	5,588	(3,088)
Insurance	14,000	13,618	382
Fuel	2,500	2,180	320
Repairs and maintenance	2,800	1,890	910
Utilities	2,300	1,761	539
Training	-	140	(140)
Operations	1,900	2,012	(112)
Capital outlay	-	100	(100)
Debt service:			
Principal	23,000	23,045	(45)
Interest	24,856	24,811	45
	<u>73,856</u>	<u>75,145</u>	<u>(1,289)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 32,252	11,634	\$ 20,618)
FUND BALANCE AT BEGINNING OF YEAR	<u>62,315</u>	<u>62,315</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 94,567</u>	<u>\$ 73,949</u>	<u>\$(20,618)</u>

See accountant's report and the accompanying notes.

HOLLY RIDGE FIRE PROTECTION DISTRICT  
RICHLAND PARISH POLICE JURY  
Rayville, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 1995

INTRODUCTION

Holly Ridge Fire Protection District was created by resolution of the Richland Parish Police Jury on September 1, 1987, for the purpose of purchasing and maintaining fire equipment and providing fire protection for the people included in the district according to the boundaries set by the Richland Parish Police Jury. The district is governed by a board of commissioners consisting of seven members. The commissioners are appointed by the Richland Parish Police Jury until a commissioner requests to be replaced. Commissioners receive no compensation for their services. The district has no employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of Holly Ridge Fire Protection District 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

As the governing authority of the parish, for reporting purposes, the Richland Parish Police Jury is the financial reporting entity for Richland Parish. The financial reporting 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 the 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 Richland Parish 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. This criteria includes:

- (1) Appointing a voting majority of an organization's governing body and
  - a. The ability of the police jury 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 burden on the police jury.
- (2) Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

HOLLY RIDGE FIRE PROTECTION DISTRICT  
RICHLAND PARISH POLICE JURY  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

- (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 Richland Parish Police Jury appoints the governing board, the district was determined to be a component unit of the Richland Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

#### C. FUND ACCOUNTING

The district uses a fund (General Fund) 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. 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.

Funds of the district are classified as governmental funds. 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. Governmental funds of the district include:

General Fund--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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using the flow of 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 the General Fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund used the following practices in recording revenues and expenditures:

##### REVENUES

Parcel fees are recorded in the year the taxes are assessed. The parcel fees are assessed on a calendar year basis, become due on



HOLLY RIDGE FIRE PROTECTION DISTRICT  
 RICHLAND PARISH POLICE JURY  
 Rayville, Louisiana  
 Notes to the Financial Statements (Continued)

December 31 of each year, and become delinquent on January 1 of the ensuing year. The taxes are generally collected in December of the current year and January and February of the ensuing year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

Interest income on time deposits is recorded at the end of each quarter when credited by the bank.

Intergovernmental revenues are recorded when the district is entitled to the funds.

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.

E. BUDGET

Preliminary budgets for the ensuing year are prepared by the secretary-treasurer during November of each year. During November the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the December meeting. All annual appropriations lapse at year end.

The budget comparison statement included in the accompanying financial statements include the original adopted budget (cash basis) and all subsequent amendments. The following reconciles the excess (deficiency) of revenues over expenditures shown in the combined statement of revenues, expenditures and changes in fund balance to the combined statement of revenues, expenditures and changes in fund balance - budget (cash basis) and actual.

	December 31, 1995
Excess (deficiency) of revenues over expenditures	\$ (762)
Adjustments:	
Receivables	12,062
Payables	<u>334</u>
Excess (deficiency) of revenues over expenditures - budgetary basis	<u>\$ 11,634</u>

F. ENCUMBRANCES

The district does not use the encumbrance system in its record keeping.

HOLLY RIDGE FIRE PROTECTION DISTRICT  
RICHLAND PARISH POLICE JURY  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time of purchases or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

I. COMPENSATED ABSENCES AND PENSION PLAN

The district does not have any full time employees; therefore, it does not have a formal vacation or sick leave policy and does not contribute to a pension plan.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

K. FUND EQUITY

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

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

L. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations

HOLLY RIDGE FIRE PROTECTION DISTRICT  
 RICHLAND PARISH POLICE JURY  
 Rayville, Louisiana  
 Notes to the Financial Statements (Continued)

in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

The district is authorized to levy a parcel fee not to exceed \$100 annually on property within the district for maintenance and operation of the district. The fee may be collected at the same time as parish ad valorem taxes and the fee expires in 2014.

3. CASH AND CASH EQUIVALENTS

At December 31, 1995, the district has cash and cash equivalents (book balances) totaling \$73,948, as follows:

Interest bearing demand deposits	\$46,735
Time deposits	<u>27,213</u>
Total	<u>\$73,948</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1995, the district has \$77,948 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance (GASB Category 1).

4. RECEIVABLES

The Accounts Receivable balance represents delinquent accounts for the prior years plus the current year. The parcel fees are considered delinquent on January 1 of the ensuing year. The following schedule shows the change in accounts receivable:

Balance at January 1, 1995	\$ 57,0220
1995 Parcel Fees	66,300
Received on Account	<u>( 78,363)</u>
Balance at December 31, 1995	<u>\$ 44,959</u>

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets (land, buildings, vehicles, and equipment) for the year ended December 31, 1995, follows:

HOLLY RIDGE FIRE PROTECTION DISTRICT  
 RICHLAND PARISH POLICE JURY  
 Rayville, Louisiana  
 Notes to the Financial Statements (Continued)

	Balance <u>January 1, 1995</u>	Additions <u>                    </u>	Balance <u>December 31, 1995</u>
Land	\$ 12,929	-	\$ 12,929
Fire Houses	161,020	-	161,020
Equipment	<u>409,326</u>	<u>\$ 100</u>	<u>409,426</u>
Totals	<u>\$ 583,275</u>	<u>\$ 100</u>	<u>\$ 583,375</u>

As required by Farmer's Home Administration, the district has a Financing Statement and Security Agreement mortgage on the equipment purchased by FmHA loan funds and the Certificate of Title shows Farmer's Home Administration as having a first lien.

6. LEASES

The district has no operating or capital leases at December 31, 1995.

7. LITIGATION AND CLAIMS

The district has filed judgments against all delinquent accounts as of December 31, 1995. The possible losses to the district are minimal as of the date of this report.

8. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term obligation transactions for the year ended December 31, 1995:

	General Obligation Bonds <u>                    </u>
Balance at January 1, 1995	\$418,872
Additions	-
Retirements	<u>23,045</u>
Balance at December 31, 1995	<u>\$395,827</u>

The general obligation bonds consists of bonds payable to Farmer's Home Administration bearing interest at 5.88 percent per annum. The bonds are secured by a pledge of revenues and restrict sale, transfer, lease or encumbrance of the facilities financed by bond proceeds. In addition, the bond resolution restricts additional borrowing and maintenance of sufficient revenue sources to meet debt service, operating and maintenance requirements and to provide adequate reserves.

A Reserve Fund and a Sinking Fund is required by bond resolution. A \$27,213 deposit is the Reserve Fund which requires the district to deposit 5% of the amount required to be paid annually into the Sinking Fund, which is the amount to be paid to Farmers Home Administration, each year until one bond payment has been accumulated and is restricted use. The Sinking Fund is also the regular operating account.

Holly Ridge Fire Protection District  
Richland Parish Police Jury  
Rayville, Louisiana

Schedule of Compensation Paid Board Members  
As of and For the Year Ended December 31, 1995

The following is a list of the Board of Commissioners of the Holly Ridge Fire Protection District. The Board receives no compensation for their services.

Andrew Stokes  
Bendel Clack  
David Rawls  
Tommy Thompson  
Ted Seffens  
Billy Richardson  
Lannie Thompson



KAREN M. HOLLIS

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 397  
611 Madeline Street  
Rayville, LA 71269  
Phone: (318) 728-6588

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Board of Commissioners  
Holly Ridge Fire Protection District

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Holly Ridge Fire Protection District 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, 1995 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, I 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 \$5,000 or public works exceeding \$50,000; and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures for materials and supplies exceeding \$5,000 or public works exceeding \$50,000 were found.

*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.

Management provided me with the required list including the noted information.

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

The District has no employees.

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

The District has no employees, therefore none of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

### *Budgeting*

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

Management provided me with a copy of the original budget and all amendments made during the year.

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

I traced the adoption of the original budget to the minutes of a meeting held on December 6, 1994 which indicated that the budget had been adopted by the commissioners of Holly Ridge Fire Protection District by a vote of 7 in favor and no opposed. I also traced the adoption of the amendments to the budget to the minutes of July 11, 1995 and October 3, 1995 which indicated that both amendments were adopted by a vote of 7 in favor and no opposed.

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

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5% for the year.

### *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;

I 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 of the 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 Secretary/Treasurer. The Board approves all disbursements over \$100 unless for regular monthly expenses (telephone, utilities).

### *Meetings*

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

Holly Ridge Fire Protection District published in the official journal of the parish, the notice of the meetings each month. No agendas are posted or published-many times no actual business to discuss.

### *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.

I 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 payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

The District has no employees to review records for advances or bonuses.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Holly Ridge Fire Protection District 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.

*Loren M Hollie*

Rayville, Louisiana  
April 15, 1996