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FIRE PROTECTION DISTRICT NO. OF ALLEN PARISH

A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY

GENERAL PURPOSE FINANCIAL REPORT

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



Mires & Company
A Professional Corporation

Certified Public Accountants

FIRE PROTECTION DISTRICT NO. 4
OF ALLEN PARISH

A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY

GENERAL PURPOSE FINANCIAL REPORT

For the Year Ended December 31, 1995

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Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

Board of Commissioners
Fire Protection District No. 4
of Allen Parish
A Component Unit of the Allen Parish Police Jury
Kinder, Louisiana

We have compiled the accompanying general purpose financial statements of the Fire Protection District No. 4, of Allen Parish, a component unit of the Allen Parish Police Jury, as of December 31, 1995, as listed in the table of contents, 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 management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
June 5, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS

ACCOUNT GROUPS		TOTALS
General Fixed Assets	General Long-Term Debt	(Memorandum Only)
\$ -	\$ -	\$ 32,076
-	-	192,006
-	-	543
-	-	23,114
1,336,736	-	1,336,736
-	169,339	169,339
<u>-</u>	<u>1,075,661</u>	<u>1,075,661</u>
<u>\$1,336,736</u>	<u>\$1,245,000</u>	<u>\$ 2,829,475</u>
\$ -	\$ -	\$ 3,872
-	-	543
<u>-</u>	<u>1,245,000</u>	<u>1,245,000</u>
<u>-</u>	<u>1,245,000</u>	<u>1,249,415</u>
1,336,736	-	1,336,736
-	-	169,339
-	-	-
-	-	73,985
<u>1,336,736</u>	<u>-</u>	<u>1,580,060</u>
<u>\$1,336,736</u>	<u>\$1,245,000</u>	<u>\$ 2,829,475</u>

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 1995

	General Fund	Debt Service Fund	Capital Project Fund	TOTALS (Memorandum Only)
REVENUES:				
Ad valorem taxes, net	\$ 74,152	\$ 144,202	\$ -	\$ 218,354
Intergovernmental	-	-	-	-
Interest	2,006	1,310	1,616	4,932
Miscellaneous	945	-	-	945
TOTAL REVENUES	<u>77,103</u>	<u>145,512</u>	<u>1,616</u>	<u>224,231</u>
EXPENDITURES:				
Current:				
Advertising	60	-	-	60
Audit fees	4,200	-	-	4,200
Bank charges	2	-	15	17
Dues	142	-	-	142
Fuel	1,822	-	-	1,822
Insurance	29,224	-	-	29,224
Interest	-	85,613	-	85,613
Lease	63	-	-	63
License	72	-	-	72
Material & supplies	4,561	-	-	4,561
Office supplies	685	-	-	685
Payroll taxes	494	-	-	494
Postage	10	-	-	10
Repairs & maintenance	2,024	-	586	2,610
Salaries	5,400	-	-	5,400
Training	820	-	-	820
Utilities	4,153	-	-	4,153
Capital outlay	55,054	-	135,000	190,054
Debt service:				
Paying agent fees	-	543	-	543
Principal retirement	-	35,000	-	35,000
TOTAL EXPENDITURES	<u>108,786</u>	<u>121,156</u>	<u>135,601</u>	<u>365,543</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(31,683)	24,356	(133,985)	(141,312)
OTHER FINANCING SOURCES (USES):				
Equity transfer from (to) other funds	7,761	(400)	(7,361)	-
FUND BALANCE - BEGINNING	<u>97,907</u>	<u>145,383</u>	<u>141,346</u>	<u>384,636</u>
FUND BALANCE - ENDING	<u>\$ 73,985</u>	<u>\$ 169,339</u>	<u>\$ -</u>	<u>\$ 243,324</u>

See accompanying notes.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
December 31, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fire Protection District No. 4 of Allen Parish was created under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the people of Ward 4 of Allen Parish. The district is governed by a board of commissioners composed of five members appointed by the Allen Parish Police Jury.

The financial statements of the Fire Protection District No. 4 of Allen Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

Fire Protection District No. 2 of Allen Parish is a component unit of the Allen Parish Police Jury. The criteria used for this determination is specified in Governmental Accounting Standards Board Statement No. 14.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the District is a component unit that should be included in the Allen Parish Police Jury's reporting entity because of the significance of their oversight relationship with the District.

B. 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 or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses or expenditures. The following funds and groups of accounts are used by the District:

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
December 31, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Governmental Fund Types:

General Fund-

The General Fund is the general operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Debt Service Fund-

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt.

Capital Projects Fund-

The Capital Projects Fund accounts for financial resources to be used for acquiring, constructing and improving fire protection facilities and equipment.

Account Groups:

General Fixed Assets-

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. All donated fixed assets are valued at fair market value at the time of donation. No depreciation is recorded on general fixed assets.

General Long-Term Debt -

The General Long-Term Debt Account Group is used to account for general long-term debt.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term

A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes and interest revenue.

D. Cash

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligation of the U. S. Treasury, commercial paper, corporate bonds and repurchase agreements.

At December 31, 1995, the carrying amount at the District's deposits were \$55,190 and the bank balance was \$58,548. Of the bank balance the following was utilized as collateral:

<u>Description</u>	<u>Bank Balance</u>	<u>Market Value</u>
FDIC Insurance	<u>\$ 58,548</u>	<u>\$ 58,548</u>
	<u>\$ 58,548</u>	<u>\$ 58,548</u>

E. Accounts Receivable

Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectable. This method does not result in a charge to bad debts that is materially different from the amount that would be charged if the reserve method were used.

F. Total Columns on Statements

Total columns on the component unit financial 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. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - PROPERTY TAXES

For the year ended December 31, 1995 taxes of 21.57 mills were levied on property with assessed valuations totalling \$10,578,550, and were dedicated as follows:

Maintenance	7.24 mills
Bond sinking	14.33 mills

Total taxes levied were \$228,180.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
December 31, 1995

NOTE 2 - PROPERTY TAXES

Property tax millage rates are adopted in December for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

NOTE 3 - FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Beginning Balance</u>	<u>Net Additions</u>	<u>Ending Balance</u>
Land	\$ 14,800	\$ -	\$ 14,800
Vehicles	580,412	135,000	715,412
Equipment	136,577	52,271	188,848
Buildings	414,893	2,783	417,676
TOTAL	<u>\$1,146,682</u>	<u>\$ 190,054</u>	<u>\$1,336,736</u>

NOTE 4 - LONG-TERM DEBT

A. Debt Outstanding

Bonds payable at December 31, 1995 is comprised of the following issue:

\$1,280,000 general obligation bonds dated 02/01/93;
due in annual installments of \$35,000 - \$115,000
through February 1, 2013; interest at 5.9% - 9.0%
(this issue secured by levy and collection of ad
valorem taxes) \$1,245,000

B. Debt Service Requirements to Maturity

The annual requirements to amortize all debts outstanding as of December 31, 1995, including interest payments of \$865,229 are as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
1996	\$ 122,238
1997	118,638
1998	119,813
1999	115,763
2000	117,200
Thereafter	<u>1,516,577</u>
	<u>\$2,110,229</u>

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
December 31, 1995

NOTE 5 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.



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INDEPENDENT ACCOUNTANTS' REPORT

Board of Commissioners
Fire Protection District No. 4
of Allen Parish
A Component Unit of the Allen Parish Police Jury
Kinder, Louisiana

We have examined management's assertion about the Fire Protection District No. 4 of Allen Parish's compliance with code of ethics for public officials and public employees, state laws relating to budgeting, accounting and reporting, meetings, debt, and payments during the year ended December 31, 1995 included in the accompanying Louisiana Attestation Questionnaire. Management is responsible for the Fire Protection District No. 4 of Allen Parish's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the District's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Fire Protection District No. 4 of Allen Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Fire Protection District No. 4 of Allen Parish's compliance with specified requirements.

In our opinion, management's assertion that the Fire Protection District No. 4 of Allen Parish complied with the aforementioned requirements for the year ended December 31, 1995 is fairly stated, in all material respects.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
June 5, 1996