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WARD 7 FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE BIRNVILLE PARISH POLICE JURY
BIRNVILLE PARISH, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
AND ACCOUNTANTS' COMPILATION REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1976

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or reviewed, and to the appropriate public officials. This 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.

Approved Date DEC 01 1987

KENNETH D. FOLDEN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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WARD 7 FIRE PROTECTION DISTRICT
A Component Unit of the Bienville Parish Police Jury
Bienville Parish, Louisiana

General Purpose Financial Statements
and Accountants' Compilation Report
As of and for the Year Ended December 31, 1996

CONTENTS

	Statement	Page
ACCOUNTANTS' COMPILATION REPORT		i
Component Unit Financial Statements:		
Combined Balance Sheet, All Fund Types and Account Groups	A	2
Governmental Fund:		
Statement of Revenues, Expenditures and Changes in Fund Balances	B	3
Notes to the Financial Statements:		4-9
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES		9-11
LOUISIANA ATTESTATION QUESTIONNAIRE		12-13

WARD 7 FIRE PROTECTION DISTRICT
 Bienville Parish, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS
 Combined Balance Sheet, December 31, 1996

	Governmental Fund	Account Groups		Total (Memorandum Only)
	General Fund	General Fixed Assets	General Long-Term Obligations	
ASSETS AND OTHER DEBITS				
Assets:				
Cash	599,942			599,942
Receivable	98,963			98,963
Deposits	480			480
Property, plant and equipment		417,671		417,671
Other Debits:				
Amount to be provided for retirement of general long-term obligations			33,488	33,488
TOTAL ASSETS	<u>\$1,992,126</u>	<u>\$417,671</u>	<u>\$33,488</u>	<u>\$241,186</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable	309,636			309,636
Payroll withholdings and taxes payable	957			957
Notes payable			33,488	33,488
Total liabilities	<u>310,593</u>	<u>\$0,000</u>	<u>\$33,488</u>	<u>45,852</u>
Equity and Other Credits:				
Investment in general fixed assets		417,671		417,671
Fund balances - unreserved - undesignated	178,642			178,642
Total fund equity	<u>178,642</u>	<u>417,671</u>	<u>\$0,000</u>	<u>596,313</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$1,992,126</u>	<u>\$417,671</u>	<u>\$33,488</u>	<u>\$241,186</u>

See Accountants' Compilation Report

WARD 7 FIRE PROTECTION DISTRICT
 Bienville Parish, Louisiana
GOVERNMENTAL FUND TYPE - (GENERAL FUND)
 Statements of Revenues, Expenditures
 And Changes in Fund Balances
 For the Year Ended December 31, 1996

REVENUES

Property taxes	\$191,631
Intergovernmental -	
Fire insurance premium rebates	4,000
Interest	130
	<hr/>
Total revenues	195,761

EXPENDITURES

General government - elections	883
Public safety	447
Advertising	2,105
Equipment operating cost	1,395
Operating supplies	6,687
Administrative services	4,705
Insurance	7,484
Legal and accounting	3,428
Office supplies	493
Statutory deductions	6,019
Telephone and utilities	5,742
Payroll taxes	153
Training	24
Salaries	2,000
Capital outlay	19,487
Debt service	
Principal retirement	31,000
Interest	4,375
	<hr/>
Total expenditures	86,371
EXCESS OF REVENUES (OVER) EXPENDITURES	11,396
FUND BALANCE AT BEGINNING OF YEAR	165,808
	<hr/>
FUND BALANCE AT END OF YEAR	\$177,204

See Accountants' Compilation Report

**WARD 7 FIRE PROTECTION DISTRICT
BIENVILLE PARISH, LOUISIANA**
Notes to the Financial Statements
As of and for the Year Ended December 31, 1996

INTRODUCTION

As provided by Louisiana Revised Statute 48:1495, the Ward 7 Fire Protection District of Bienville Parish, Louisiana, is governed by five commissioners who are resident property taxpayers of the District. The Villages of Lusk and Sulist each appoint one commissioner, and the Bienville Parish Police Jury appoints two members; these four commissioners then select the fifth commissioner. The five commissioners are referred to as the Board of Commissioners. The members serve terms of two years. The members of the Board of Commissioners do not receive compensation.

The District was created for the purpose of acquiring, maintaining, and operating buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other things necessary to provide proper fire prevention and control within the fire district. The District's records are housed in the home of the treasurer of the Board of Commissioners, the home of the secretary of the Board of Commissioners, the home of the president of the Board of Commissioners, and the fire station in the district. The District and the volunteer fire departments coordinate their efforts to achieve the goals of fire protection for the district.

I. 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 (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 Bienville Parish Police Jury is the financial reporting entity for Bienville 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 Bienville 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 burdens 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.
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.

WARD 7 FIRE PROTECTION DISTRICT
Bossier Parish, Louisiana
Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. REPORTING ENTITY

Because the police jury approves the organization's governing body, and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury, the District was determined to be a component unit of the Bossier 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 jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The District uses a 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. 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 financial resources.

Funds of the District are classified into one category: governmental. This category is divided into one fund type. A description of this fund classification and the fund type follows:

Governmental Funds

Governmental funds account for all of the District's general activities, including the collection and disbursement of specific or legally restricted monies, acquisition or construction of general fixed assets, and the arising of general long-term obligations. The governmental fund of the Ward 7 Fire Protection District is the:

General Fund—the general operating fund of the District and accounts for all financial resources. The District has no financial resources which require separate fund accounting.

D. BASIS OF ACCOUNTING

The accounting and financial 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 are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

All valuation taxes are assessed on a calendar year basis by the Tax Assessor of Bossier Parish. The Bossier Parish Tax Collector sends notices to property owners in either September or October. Taxes are due from property owners upon receipt of notice. Billed taxes become delinquent on December 31 of the current year. Ad valorem taxes attach as an enforceable lien on property as of December 31 of each year. The taxes are generally collected in December of the current year and January and February of the ensuing year.

WARD 7 FIRE PROTECTION DISTRICT
Bossier Parish, Louisiana
Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF ACCOUNTING (CONTINUED)

Revenues

All valorem taxes are collected by the Bossier Parish Tax Collector and remitted to Ward 7 Fire Protection District. Therefore, amounts received during the current period are recognized as revenue; amounts collected by the Tax Collector during the current period and received by the District within 60 days of year end are recorded as a receivable.

Intergovernmental revenues are recorded when the District is notified in the funds. Substantially all other revenues are recorded when received.

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.

E. BUDGET PRACTICES

The District did not adopt an operating budget for the year ended December 31, 1996. Therefore, the financial statements do not contain comparisons with budgeted revenues and expenditures of all governmental fund types for that period.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

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. Investments are stated at cost. The District has no investments at December 31, 1996.

H. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fund assets account group. No depreciation has been provided on general fund assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Depreciated fixed assets are stated at their estimated fair value on the date of disposition.

WARD 7 FIRE PROTECTION DISTRICT
Bossier Parish, Louisiana
Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. COMPENSATED ABSENCES

There are no accumulated and vested benefits relating to vacation and sick leave as the District has no full time employees.

J. LONG-TERM OBLIGATIONS

Long term obligations expected to be financed from the governmental fund 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 fund when due.

K. TOTAL COLUMNS OF COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Position in such data comparable to a reconciliation. Interfund eliminations have not been made in the aggregation of this data.

L. REVISED TAXES

The District was authorized and levied a 15.12 mill ad valorem tax in 1996.

M. CASH AND CASH EQUIVALENTS

At December 31, 1996, the District has cash and cash equivalents (bank balances) totaling \$90,842, as follows:

Petty cash	500
Invested deposits	<u>90,342</u>
Total	<u>\$90,842</u>

These 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 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. 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, 1996, the District has \$91,908 in deposits (collected bank balances). These deposits are secured from risk by \$90,908 of federal deposit insurance.

WARD 7 FIRE PROTECTION DISTRICT
 Bienville Parish, Louisiana
 Notes to the Financial Statements (Continued)

4. FIXED ASSETS

The changes in general fixed assets follows:

	Balance January 1, 1996	Additions	Deletions	Balance December 31, 1996
Land	58,073			58,073
Buildings	221,616			221,616
Furniture and equipment	221,287	25,487		246,774
Total	<u>500,976</u>	<u>25,487</u>	<u>None</u>	<u>526,463</u>

5. PENSION PLANS AND POST-RETIREMENT BENEFITS

The District contributes to the Social Security System for its part-time employees. The District does not participate in any other pension or retirement plans. The District does not have any post-retirement benefits.

6. NOTE PAYABLE

The District records a note payable as a general long-term obligation in the accompanying financial statements. In 1988, the District entered into a nine year loan agreement with First National Bank, Bienville Parish; Gibeland Bank and Trust Co.; Bank of Shreveport and Bank of Natchitoches, for the purpose of building, maintaining, operating, and equipping the District. The loan agreement provides for nine annual payments. The first payment was paid in 1989 with a final payment due in 1997. All principal and interest requirements are funded by the annual ad valorem tax levied on the taxable property within the District.

The following is a summary of the general long-term obligations' transactions relating to the note payable for the year ending December 31, 1996:

Note payable at January 1, 1995	\$22,000
Payment during 1996	<u>30,000</u>
Note payable at December 31, 1996	<u>\$12,000</u>

The annual requirements to amortize the note payable as of December 31, 1996, including interest payments of \$1,448, are as follows:

	General Long-term Obligation
Year ending December 31, 1997	<u>\$33,448</u>

7. LEASES

On July 1, 1988, the Ward 7 Fire Protection District entered into three 99-year property leases for land to be used for fire stations. The consideration for the leases is the benefit that will be provided to Lessee by having fire protection equipment on the leased premises.

8. LITIGATION

The District is not involved in any litigation at December 31, 1996.

Kenneth D. Follen & Co.
Certified Public Accountants

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**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

**Kenneth Kettle, Chairman
and Members of the Board of Commissioners
Ward 7 Fire Protection District
P. O. Box 105
Caster, LA 71000**

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Ward 7 Fire Protection District of Bienville Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Ward 7 Fire Protection District's compliance with certain laws and regulations during the year ended December 31, 1996 included in the accompanying Louisiana Statute 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 \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:211-1-1294 (the public bid law).

Only one expenditure was made during the year for capital outlay exceeding \$5,000. An expenditure of \$5,947 was made in March 1996 for papers. Documentation was available to support that the papers were bid. No expenditures were made for public works exceeding \$50,000.

Code of Ethics for Public Officers and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 41:1181-1124 (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 us with the required list including the noted information.

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

Management provided us with the required name of their sole employee.

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 name of the sole employee provided by management in procedure (3) did not appear on the list provided by management in procedure (2).

Budgeting

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

Management did not adopt the required budget for the year.

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

As stated in procedure (5), the district did not adopt a budget.

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%.

As stated in procedure (5), the district did not adopt a budget.

Accounting and Reporting

8. Randomly select six disbursements made during each year under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

For the year ended December 31, 1996, 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

The above supported disbursements were properly coded to the correct fund and general ledger account.

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

The disbursements were listed in the district's minute book where they were approved by the commissioners.

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 42:17 (the open meetings law).

The Ward 7 Fire Protection District is only required to post a notice of each meeting, and the accompanying records on the door of the district's office building. Management has informed us that these documents were properly posted. Also the minutes of the District indicated that the agendas had been posted in advance of meetings.

Data

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 payroll 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 payroll records for the year and noted no instances which would indicate payments to the sole employee which would constitute bonuses, advances, or gifts.

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 the Ward 7 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.



KENNETH D. HOLDEN & CO.
Certified Public Accountants

Jonesboro, Louisiana
September 12, 1997

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Certified Public Accountants

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**Kenneth Knotts, Chairman
and Member of the Board of Commissioners
Ward 7 Fire Protection District
P.O. 3, Box 158
Caster, LA 71816**

In performing our compilation with attention engagement of the financial statements of the Ward 7 Fire Protection District, as of and for the year ended December 31, 1996, part of the agreed-upon procedures included a review of the prior year suggestions, recommendations, and/or comments and the extent to which such matters have been resolved.

During our compilation with attention engagement, as of and for the year ended December 31, 1996, we became aware of certain matters involving the internal control structure and non-compliance with laws that were important to the strengthening internal controls and compliance requirements. The memorandum that accompanies this letter summarizes our comments regarding these matters.

We will be pleased to discuss them in further detail at your convenience or to assist you in implementing the recommendations.

Sincerely,



Kenneth D. Falden & Co., CPAs
September 12, 1997

Budget

For the year ending December 31, 1996, as in prior years, the Ward 7 Fire Protection District did not adopt a budget as required by L.R.S. 49:1801, et seq. Again, we recommend that the District comply with L.R.S. 49:1801, et seq. The Minutes of the December 11, 1996 meeting indicated that a budget was adopted for the year ending December 31, 1997.

Financial Statements

Louisiana Revised Statute 24:513 requires that a compilation with attestation engagement must be completed and submitted to the Legislative Auditor within six months of the close of the entity's fiscal year. This is the second straight year that the Ward 7 Fire Protection District did not provide its accounting records and documentation on a timely basis for the compilation with attestation engagement to be filed in accordance with L.R.S. 24:513. We strongly recommend that the District provide its accounting records and documentation on a timely basis, in the future.

Prior Year's Findings

The current status of the findings in the prior year compilation report for the two years ending December 31, 1995 are as follows:

Compliance/Attestation Report:

1. **Public bids not sought** - As noted in step #9 of the attestation questionnaire, correction action has been taken. This finding is considered cleared.
2. **Failure to adopt budget** - As noted above, a repeat comment has been made.
3. **Accounting and reporting** - some disbursements were not documented. Correction action has been taken. This finding is considered cleared.
4. **Notice of board meetings not posted**. Correction action has been taken. This finding is considered cleared.

Management Letter:

1. **Failure to provide accounting records and other documentation timely resulted in the engagement not being completed timely**. As noted above, a repeat comment is necessary.
2. **Centralized banking** - The District is still maintaining demand deposit accounts for the individual stations as well as a central demand deposit account. Again, we recommend that one interest-bearing demand deposit account should be maintained for routine receipts and disbursements of the General Fund. Utilization of one General Fund demand deposit account will provide additional controls over receipts and disbursements and will also ensure that maximum interest is earned on funds of the District. A separate account, such as presently utilized, should continue to be used for the debt service.