

DESOLO PARISH FIRE PROTECTION DISTRICT NO. 2

Kennerly/Closter, Louisiana

Notes to the Financial Statements

As of and for the Year Ended December 31, 1998

6. CHANGES IN LONG-TERM DEBT (Continued)

The annual requirements to amortize the certificates outstanding at December 31, 1998, including interest of \$0,000, are as follows:

Year ending		
1997	\$	10,300
1998		10,000
1999		10,000
2000		10,000
2001		10,440
Total	\$	<u>50,000</u>

7. LITIGATION AND CLAIMS

The fire district is not involved in any litigation at December 31, 1998, nor is it aware of any unasserted claims.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 2
REATCHEE GLOSTER, LOUISIANA

General Purpose Financial Statements
As of and for the Year Ended December 31, 1996

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Accountant's Compilation Report

Board of Directors
DeSoto Parish Fire Protection District No. 2
Houssier/Grocer, Louisiana

I have compiled the accompanying general purpose financial statements of DeSoto Parish Fire Protection District No. 2 as of and for the year ended December 31, 1996, as required by Louisiana Revised Statute 34:513. The general purpose financial statements will be compiled 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. I have not audited or reviewed the accompanying financial statements, and accordingly do not express an opinion or any form of assurance on them.

Deborah D. Dees, CPA

Certified Public Accountant
Monroe, Louisiana

May 25, 1997

DECATUR PARISH FIRE PROTECTION DISTRICT NO. 2
 Safety-Costs, Leases

Statement A

ALL FUNDS TYPES AND ACCOUNT CIRCLES
 Combined Balance Sheet
 December 31, 1989

	GOVERNMENTAL FUNDS			FIDUCIARY		ACCOUNT GROUPS		
	GENERAL FUND	SEWER SERVICE FUND	WATER SERVICE FUND	AGENCY FUND	OTHER FUND	GENERAL FUND ASSETS	GENERAL FUND LIABILITIES	TOTAL MANAGEMENT FUND
ASSETS AND OTHER DEBITS								
Cash	\$ 100,319	\$ 3,889	\$ 907	\$ 907	\$ -	\$ -	\$ -	\$ 104,128
Accounts Receivable	8,560	25,432				28,290		11,822
Plant Inventory								22,200
Amount to be credited for retirement of an obligation of predecessor								73,000
TOTAL ASSETS	<u>\$ 108,879</u>	<u>\$ 29,321</u>	<u>\$ 907</u>	<u>\$ 907</u>	<u>\$ -</u>	<u>\$ 28,290</u>	<u>\$ 73,000</u>	<u>\$ 254,299</u>
LIABILITIES & FUND EQUITY AND OTHER CREDITS								
Liabilities:								
Due to Predecessor Fund	\$ -	\$ -	\$ -	\$ 907	\$ -	\$ -	\$ -	\$ 907
Contributions of non-members, payable								
TOTAL LIABILITIES							<u>\$ 73,000</u>	<u>\$ 73,000</u>
Fund Equity and Other Credits:								
Investment in Fixed Assets								<u>146,017</u>
Fund Balance - Unreserved	82,813					28,290		25,208
Fund Balance - Reserved for the trucks	71,000							95,813
Fund Balance - Reserved for debt service		28,319						73,000
TOTAL EQUITY AND OTHER CREDITS	<u>153,813</u>	<u>28,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,290</u>	<u>-</u>	<u>283,118</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$ 153,813</u>	<u>\$ 28,319</u>	<u>\$ -</u>	<u>\$ 907</u>	<u>\$ -</u>	<u>\$ 28,290</u>	<u>\$ 73,000</u>	<u>\$ 284,299</u>

See accompanying notes and accounts compilation report.

DEBOTO PARISH FIRE PROTECTION DISTRICT NO. 2
 Keatonville, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (Cash Basis) and Actual
For the Year Ended December 31, 1999

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad Valorem taxes	\$ 34,722	\$ 36,808	\$ (2,078)
Police fees	52,600	14,700	7,302
Insurance rebate	5,285	3,800	1,485
Local cash contributions	970		970
TOTAL REVENUES	93,577	65,308	28,269
EXPENDITURES			
Operations	8,601	11,800	2,999
Insurance	4,677	9,600	4,923
Administration	5,113	4,150	963
Capital Outlay	14,298	35,458	24,164
TOTAL EXPENDITURES	32,689	60,908	38,013
EXCESS OF REVENUES OVER EXPENDITURES	60,888	(7,780)	68,562
OTHER FINANCING SOURCES			
Sale of asset	1,080		1,080
Proceeds from certificates of indebtedness	73,080		73,080
TOTAL OTHER FINANCING SOURCES	74,160		74,160
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	84,912	(7,780)	112,612
ADJUSTMENTS TO NON-CASH BUDGET			
Revenue accruals	(28,040)	(28,040)	
FUND BALANCE, BEGINNING OF YEAR	25,400	25,400	
Prior period adjustment	33,441	33,441	
FUND BALANCE, END OF YEAR	\$ 120,813	\$ 14,201	\$ 112,612

See accompanying notes and accountant's compilation report.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 2

Metairie/Choudry, Louisiana

Notes to the Financial Statements

As of and for the Year Ended December 31, 1999

C. FUND ACCOUNTING

The district uses funds 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 included in the funds because they do not directly affect net-assignable available financial resources.

Funds of the district are classified as governmental and fiduciary. 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 operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

Debt Service Fund—accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

Fiduciary funds are used to account for assets held on behalf of outside parties, or on behalf of other funds within the district. The fiduciary fund of the district includes:

Agency Fund—accounts for assets that the district holds on behalf of the Planner's Fund as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve encumbrance of results of operations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The 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 the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

The major sources of revenue (ad valorem taxes and parcel fees) are recognized when assessable to account, i.e., when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures

Expenditures are generally recorded when the related fund liability is incurred, if measurable.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 3
Ketchicae/Closter, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1999

E. BUDGET

The district is required by state law to adopt an annual budget. The budget is presented on the cash basis. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

A proposed budget is submitted to the governing board and made available for public inspection at the Ketchicae Town Hall, no later than 15 days prior to December 31, of each year. In open meeting prior to December 31, the budget is adopted and becomes part of the official minutes of the District.

Once a budget is approved, it can be amended by approval of a majority of the Board. Amendments are presented at a regular open meeting for Board approval. The budget was amended during the year.

The debt service fund which is required to have a budget, was established in December, 1999 in order to record all volumes fee receipts to pay the certificates of indebtedness that were issued in November. A budget was not adopted for this fund in 1999.

F. CASH

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.

At December 31, 1999, the district has cash in demand and interest-bearing demand deposits totaling \$124,728 (book balance). These deposits are stated at cost, which approximates market. Under state law, these deposits 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. At December 31, 1999, the district has \$124,149 (bank balance) in deposits. These deposits are secured from risk by \$100,000 of federal deposit insurance. The remaining balance of \$24,149 is not secured by the pledge of securities and is a violation of state law.

During the last week of January, 1997, the district purchased new fire trucks and reduced the balance below the federal deposit insurance amount.

G. FIXED ASSETS

Fixed assets are recorded at acquisition at the time purchased, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost. Assets acquired from the predecessor volunteer fire department are recorded in the amount of the outstanding department debt which the district paid in order to transfer the assets. No depreciation has been provided on general fixed assets.

DEBOTO PARISH FIRE PROTECTION DISTRICT NO. 2
 Keatchie/Gloster, Louisiana
 Notes to the Financial Statements
 As of and for the Year Ended December 31, 1996

4. LEVIED TAXES

The District has authorized and levied a 7 millage rate ad valorem tax. In addition, there is an annual \$35 parcel fee on each lot. The following are the principal taxpayers for the district:

Taxpayer	Assessed Valuation	Percentage of Total Assessed Valuation
Southwestern Electric	\$ 895,083	24.0%
South Central Bell	638,430	15.4%
East Gateway Pipeline	329,280	7.8%
Faulkner, Vendor	297,540	7.2%
J.W. Osprey	201,470	4.9%
Total	<u>\$ 2,462,743</u>	<u>59.3%</u>

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1893 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year. Uncollected prior year taxes are written off as the end of the year. The uncollected taxes are reinstated.

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance, January 1, 1996	Additions	Deductions	Balance, December 31, 1996
Fire equipment	\$ 13,584	\$ 6,417	\$	\$ 17,231
Land		6,000		6,000
Buildings		1,879		1,879
Total	<u>\$ 13,584</u>	<u>\$ 14,296</u>	<u>\$</u>	<u>\$ 29,290</u>

6. CHANGES IN LONG-TERM DEBT

Certificates of Indebtedness, Series 1996, were issued December 30, 1996, in the amount of \$73,080 for acquiring and improving fire protection facilities and equipment. The bonds are secured by a special seven mill ad valorem tax. The annual installments range from \$14,008-\$15,080 per year plus semiannual interest payments at 5.5 percent.

DEBOTO PARISH FIRE PROTECTION DISTRICT NO. 3
 Westlake/Olester, Louisiana
GOVERNMENTAL FUNDS

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 1996

	GENERAL FUND	DEBT SERVICE FUND	TOTAL (MEMORANDUM ONLY)
REVENUES			
Ad Valorem taxes	\$ 1,500	\$ 20,518	\$ 20,508
Fiscal fees	18,474		18,474
Insurance rebates	5,285		5,285
Local cash contributions	910		910
TOTAL REVENUES	<u>26,069</u>	<u>20,518</u>	<u>54,307</u>
EXPENDITURES			
Operations	8,601		8,601
Insurance	4,077		4,077
Administration	9,112		9,112
Capital Outlays	14,288		14,288
TOTAL EXPENDITURES	<u>32,088</u>	<u></u>	<u>32,088</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(6,019)</u>	<u>20,518</u>	<u>20,241</u>
OTHER FINANCING SOURCES			
Sale of asset	1,058		1,058
Proceeds from certificate of indebtedness	73,080	-	73,080
TOTAL OTHER FINANCING SOURCES	<u>74,138</u>	<u></u>	<u>74,138</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>67,912</u>	<u>20,518</u>	<u>69,281</u>
FUND BALANCE, BEGINNING OF YEAR	28,408		28,408
Prior Period Adjustment	35,441		35,441
FUND BALANCE, END OF YEAR	<u>\$ 125,813</u>	<u>\$ 20,518</u>	<u>\$ 155,132</u>

See accompanying notes and audit firm's compilation report.

Independent Accountant's Report on Applying Agreed-Upon Procedures

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Independent Accountant's Report On Applying Agreed-Upon Procedures

Board of Directors
DeCade Parish Fire Protection District No. 2
Kenner, LA

I have performed the procedures included in the Louisiana Governmental Audit Guide and summarized below, which were agreed upon by the management of DeCade Parish Fire Protection District No. 2 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about DeCade Parish Fire Protection District No. 2's compliance with certain laws and regulations during the year ended December 31, 1996, included in the accompanying Louisiana Abatement Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the 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 materials 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).

A review was made of the disbursement journal for the year. That review did not disclose any expenditures in the above parameters.

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 42:1101-1104 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

The Board provided me with the required list including the stated information.

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

The Board provided me with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

A review of the disbursement journal did not indicate any employees. The clerk is paid as an independent contractor. The clerk did not appear on any listing provided by the Board in agreed-upon procedure 2 above.

Accounting and Reporting (Continued)

had no indication on the invoice of board approval and the two signature checks were unavailable for inspection.

BOARD RESPONSE: A member of the board will initial invoices in the future to indicate approval. With the change in treasury, two bank statements were misplaced. The statements were replaced by the bank and the disbursement ledger was compared to the cleared amounts. Since there was no indication that there were any improper checks written, the board decided it was not worth the expense to have the checks reproduced.

Meetings

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

DeCade Parish Fire Protection District No. 2 is required to post a notice of each meeting and the accompanying agenda on the door of the district's meeting place. There is no indication that these notices were posted.

BOARD RESPONSE: Agendas will be posted along with the meeting announcements as required.

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 fire indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted that there was a de posit for a loan in December. This was disclosed to me prior to the examination and the certificate of indebtedness was properly authorized by the State Bonding Commission for the purchase of two fire trucks.

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. The clerk (as noted in procedure 4) is an independent contractor, and no instances were noted which would indicate payments that would constitute a bonus, advance, or gift.

Other Matters

At December 31, 1986, the Fire District's bank balance at Statewide Bank & Trust was \$127,264.57. This amount is over the FDIC insurance of \$100,000 and leaves the Fire District in violation of LRS 28:1225 which provides that security shall at all times be equal to 100% of the deposit.

BOARD RESPONSE: Last proceeds were deposited in the bank account at the end of December. A disbursement was made during the first week of January for the purchase of the fire trucks and the balance was brought below the FDIC insurance amount. The Board will be more cognizant in the future.

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 DeBoto Fire Protection District No. 2 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and take 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.

Leborah A. Green, CPA

Monroe, Louisiana
May 25, 1987

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DESOTO PARISH FIRE PROTECTION
DISTRICT NO. 2
KEATCHEGLOSTER, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
WITH ACCOUNTANT'S COMPILATION REPORT
AND AGREED-UPON PROCEDURES REPORT

As of and for the year ended
December 31, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 JAN 25 1997

Deborah D. Eves, MBA, CPA
122 Jefferson Street
Monroe, Louisiana 70132
504-833-3007

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 2

Ranchier/Gloster, Louisiana
Notes to the Financial Statements

As of and for the Year Ended December 31, 1999

H. LONG-TERM OBLIGATIONS

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

I. FUND EQUITY

Fund equity represents portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

J. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned *Interim/Annual*. Only to indicate that they are presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidated.

K. RECEIVABLES

The following is a summary of receivables at December 31, 1999:

	Current Fund	BY ACCOUNT Fund	TOTAL
All revenue taxes	\$	\$ 25,438	\$ 25,438
Parcel fees	6,500		6,500
Total	\$ 6,500	\$ 25,438	\$ 31,938

L. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to fund equity to correct the tax revenue accounts in the prior reporting periods according to generally accepted accounting principles.

DESOLO PARISH FIRE PROTECTION DISTRICT NO. 2
Kenner/Chalmette, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1996

INTRODUCTION

DeSoto Fire Protection District No. 2 was created by the DeSoto Parish Police Jury, as authorized by Louisiana Revised Statute 40:1481 on February 7, 1993. The District is governed by a five-member board appointed in accordance to LRS 40:1496 as follows: two members by the police jury, two members by the village of Kenner, and one by the other four members. Board members serve without compensation. The District is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the DeSoto Parish Fire Protection District No. 2 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 DeSoto Parish Police Jury is the financial reporting entity for DeSoto 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 reason 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 DeSoto 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 financially dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if facts of the organization are not included because of the nature or significance of the relationship.

Because the police jury created the district and has the ability to impose its will on the district, the district was determined to be a component unit of the DeSoto Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds administered 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.