

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Irra, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Two Years Ended December 31, 1996

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**BOARD OF COMMISSIONERS
WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH**

*Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1996*

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.

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

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.

The spouse of a board member was paid \$1,400 in 1996 and \$350 in 1995 for administrative duties.

Budgeting

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

I obtained a copy of the legally adopted budget and all amendments for each year.

6. Trace the budget adoption and amendments to the minute book for each year.

The minutes of the meetings during which the budgets for 1995 and 1996 were adopted were not available. The Secretary-Treasurer stated that the budgets are normally adopted in December of each year.

7. For each year, 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 5% or more.

For the year ended December 31, 1996, actual General Fund expenditures exceeded budgeted expenditures by \$15,451 or 57%.

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1985

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem taxes	\$30,000	\$33,429	\$3,429
Intergovernmental revenues - state - fire insurance rebate	2,300	7,025	4,725
Use of money and property - interest earnings	400	1,470	1,070
Total revenues	<u>32,700</u>	<u>41,924</u>	<u>9,224</u>
EXPENDITURES			
Public safety:			
Current:			
Administration	800	772	68
Audit	1,250	1,250	
Fuel allowance	1,100	1,173	(73)
Insurance	6,800	6,474	26
Truck maintenance	1,900	1,216	284
Utilities	1,900	1,898	(2)
Miscellaneous	450	1,374	(744)
Capital outlay	8,000	8,808	1,192
Intergovernmental	2,387	2,387	(2,387)
Total expenditures	<u>21,087</u>	<u>21,512</u>	<u>425</u>
EXCESS OF REVENUES OVER EXPENDITURES	12,000	22,912	10,892
FUND BALANCE AT BEGINNING OF YEAR	<u>33,405</u>	<u>68,076</u>	<u>32,671</u>
FUND BALANCE AT END OF YEAR	<u>\$45,405</u>	<u>\$90,988</u>	<u>\$45,583</u>

See accompanying notes and accountant's compilation report.

**WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Erie, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND**

**Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1986**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE PAYABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes	\$25,000	\$26,753	\$1,753
Intra-governmental revenue - state - fire insurance rebate	3,700	6,940	3,240
Use of money and property - interest savings	1,400	2,347	947
Total revenues	<u>29,900</u>	<u>35,940</u>	<u>6,040</u>
EXPENDITURES			
Public safety:			
Current:			
Administration	1,200	2,190	(990)
Fuel allowance	1,800	908	892
Insurance	6,500	6,494	66
Truck maintenance	3,000	3,256	(256)
Utilities	2,000	3,088	(1,088)
Miscellaneous	455	2,371	(1,916)
Capital outlay	12,000	19,440	(7,440)
Intra-governmental		2,835	(2,835)
Total expenditures	<u>32,005</u>	<u>42,466</u>	<u>(10,461)</u>
EXCESS OF REVENUES OVER EXPENDITURES	12,087	3,374	(8,713)
FUND BALANCE AT BEGINNING OF YEAR	<u>53,163</u>	<u>98,988</u>	<u>45,825</u>
FUND BALANCE AT END OF YEAR	<u>\$65,250</u>	<u>\$94,366</u>	<u>\$29,116</u>

See accompanying notes and accountant's compilation report.

**WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Bosch, Louisiana**

*Notes to the Financial Statements
As of and for the Two Years Ended December 31, 1996*

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ward Two Fire Protection District of Jackson Parish was created by the Jackson Parish Police Jury on August 4, 1987, as authorized by Louisiana Revised Statute 40:1492. The district is governed by a five member board. Two members are appointed by the Jackson Parish Police Jury, one member is appointed by each municipality in the district, and the fifth member, who is chairman, is selected by the other four members. Board members serve two year terms without benefit of compensation. The district is responsible for purchasing and maintaining fire equipment and providing fire protection within the boundaries of the district.

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Ward Two Fire Protection District of Jackson Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Jackson Parish Police Jury is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the 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 (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Jackson 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:

See accountant's compilation report.

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1996

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FUND ASSETS	TOTAL BALANCE (000.00)
ASSETS			
Cash	\$61,521		\$61,521
Accounts receivable	36,517		36,517
Buildings, vehicles, and equipment		\$321,804	321,804
TOTAL ASSETS	\$98,038	\$321,804	\$419,842
LIABILITIES AND FUND EQUITY			
Liabilities - accounts payable	\$3,472	NONE	\$3,472
Fund Equity:			
Investment in general fixed assets		\$321,804	321,804
Fund balance - reserved - undesignated	94,566		94,566
Total Fund Equity	\$94,566	\$321,804	\$416,370
TOTAL LIABILITIES AND FUND EQUITY	\$98,038	\$321,804	\$419,842

See accompanying notes and accountant's compilation report.

M. Carlson Dumas
CERTIFIED PUBLIC ACCOUNTANT

308 HUNTERBROOK ROAD • CALIBORN, LOUISIANA 71225 • TELEPHONE 318/644-5756

Accountant's Compilation Report

BOARD OF COMMISSIONERS
WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana

I have compiled the accompanying general purpose financial statements, as listed in the foregoing table of contents, of the Ward Two Fire Protection District of Jackson Parish as of December 31, 1996, and for each of the years in the two year period then ended, in accordance with standards established by *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 responsibility 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.



Caliborn, Louisiana
June 11, 1997

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**WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eria, Louisiana**

**General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 1986**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or equivalent, and 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 11/20/1997

BOARD OF COMMISSIONERS
WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1996

This report is intended solely for the use of management of the Ward Two Fire Protection District of Jackson Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Carlson, Louisiana
June 11, 1997

WARD TWO FIRE PROTECTION DISTRICT
JACKSON PARISH
Erie, Louisiana
Notes to the Financial Statements (Continued)

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's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury created the district and appoints members of the district's governing body, the district was determined to be a component unit of the Jackson 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 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fund assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

See accountant's compilation report.

BOARD OF COMMISSIONERS
WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1996

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.

I examined cash disbursements for each year and noted no payments to employees which constitute bonuses, advances, or gifts. The minutes of the board meetings did not indicate that bonuses, advances, or gifts were paid to employees.

General

The district did not maintain written minutes of all board meetings held during the year ended December 31, 1995. Louisiana Revised Statute 42:7.1 requires that all public bodies keep written minutes of all their open meetings. Louisiana Revised Statute 44:36 requires that all public records be maintained and preserved for a period of three years from the date the public record is made.

The district did not update its listing of general fixed assets for transactions occurring during the two years ended December 31, 1996.

Prior Audit Report Findings

The audit report for the two years ended December 31, 1994 included internal control findings related to using a complete cash receipts journal and marking invoices paid. While performing my compilation/verification procedures, it was noted that a cash journal was posted during the two years ended December 31, 1996 and that invoices were marked paid with the check number and date.

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.

WARD TWO FIRE PROTECTION DISTRICT
JACKSON PARISH
Eros, Louisiana
Notes to the Financial Statements (Continued)

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach to 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.

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

Interest income on demand deposits is recorded when the interest has been earned and its amount is determinable.

Based on the above criteria, ad valorem taxes and intergovernmental revenues have been treated as receivable to accrue.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

F. BUDGET PRACTICES

A preliminary General Fund budget for the ensuing year is prepared by the board of commissioners in December of each year. The budget is then adopted by the board during the regular December meeting. The proposed budget for the General Fund is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

WARD TWO FIRE PROTECTION DISTRICT
JACKSON PARISH
Eros, Louisiana
Notes to the Financial Statements (Continued)

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

G. CASH

Cash includes amounts in interest-bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with banks organized under the laws of the State of Louisiana, the laws of any other state in the Jackson, or the laws of the United States. At December 31, 1996, the district has cash (bank balances) of \$81,521.

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. Cash (bank balances) at December 31, 1996, are \$81,605, and are fully secured from risk by federal deposit insurance.

**H. TOTAL COLUMN ON THE
BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. UNFAVORABLE BUDGET VARIANCE

For the year ended December 31, 1996, actual General Fund expenditures exceeded budgeted expenditures by \$15,451 or 53 percent.

3. LEVIED TAXES

The district is authorized to levy a maximum tax of 10 mills annually on property within the boundaries of the district for maintenance and operation of the district. The district levied 8.95 mills for the year ended December 31, 1996 and 10.33 mills for the year ended December 31, 1995. The tax fee assessment's compilation report.

**BOARD OF COMMISSIONERS
WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH**

**Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1996**

Accounting and Reporting

8. For each year, randomly select 6 disbursements made during the period under examination and:
- (a) trace payments to supporting documentation as to correct amount and payee;
 - (b) determine if payments were properly coded to the correct fund and general ledger account;
 - (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements from each year disclosed the following:

- (a) All selected disbursements were adequately supported.
- (b) Two of the six disbursements selected for the year ended December 31, 1996 were not posted in the proper amounts to the cash journal.
- (c) One of the six disbursements selected for the year ended December 31, 1996 was not included on the list of bills to be approved by the board of commissioners.

Meetings

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

The agendas for board meetings were not published or posted as required by LSA-RS 42:7.

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 deposit slips for the two years ended December 31, 1996, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

WARD TWO FIRE PROTECTION DISTRICT
JACKSON PARISH
Bass, Louisiana

Notes to the Financial Statements (Continued)

will expire with the 2007 tax roll. The differences between authorized and levied millages are the result of assessments of the taxable property required by Article 7, Section 23 of the Louisiana Constitution of 1974.

4. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the two years ended December 31, 1996.

	Buildings	Vehicles and Equipment	Total
Balance, January 1, 1995	389,000	3,706,356	4,095,356
Additions:			
For the year ended December 31, 1995		4,808	4,808
For the year ended December 31, 1996		19,440	19,440
Balance, December 31, 1996	<u>389,000</u>	<u>3,730,594</u>	<u>4,119,594</u>

5. LITIGATION AND CLAIMS

The district was involved in one lawsuit at December 31, 1996. The district has insurance coverage but the amount of any potential liability in excess of insurance coverage has not been determined as of December 31, 1996; therefore no liability has been recorded in the accompanying financial statements. As noted above, the district maintains commercial insurance coverage to reduce the risk of loss resulting from property damage or liability claims. There were no significant reductions in insurance coverage during the two years ended December 31, 1996. There were no costs resulting from claims or judgments during the two years ended December 31, 1996.

See accountant's compilation report.

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

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

M. Carolyn Dumas
CERTIFIED PUBLIC ACCOUNTANT

169 Bonaparte Road • Chalmette, Louisiana 70322 • Telephone 584-644-5726

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

BOARD OF COMMISSIONERS
WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed upon by the management of the Ward Two Fire Protection District of Jackson Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Ward Two Fire Protection District of Jackson Parish's compliance with certain laws and regulations during each of the years in the two year period ended December 31, 1996 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 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 two years ended December 31, 1996 for materials and supplies exceeding \$5,000, or public works exceeding \$20,000, and determine whether such purchases were made in accordance with S.S.A.-RS 38:2211-2251 (the public bid law).

A review was made of disbursements for each year. There was one disbursement for materials and supplies exceeding \$5,000 made during the two year period. The disbursement was for \$6,828. This purchase of materials and supplies was made in accordance with the public bid law.

WARD TWO FIRE PROTECTION DISTRICT
JACKSON PARISH
Erie, Louisiana
Notes to the Financial Statements (Continued)

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require only the use of governmental funds (General Fund). The General Fund is the general operating fund of the district and is used to account for all of its financial activities.

D. FIXED ASSETS AND LONG-TERM DEBT

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. Approximately 92 percent of fixed assets are valued at estimated cost based on the historical cost of like items, while the remaining 8 percent of fixed assets are valued at actual costs. No depreciation has been provided on general fixed assets. There is no long-term debt at December 31, 1996.

E. BASIS OF ACCOUNTING

The financial and 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 transactions for 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 for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when measurable 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 district uses the following practices in recognizing and reporting revenues and expenditures:

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**