

EAST COLUMBIA FIRE DISTRICT
Columbia, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended December 31, 1997

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Accountant's Compilation Report

BOARD OF COMMISSIONERS
EAST COLUMBIA FIRE DISTRICT
Columbia, Louisiana

I have compiled the accompanying general purpose financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the East Columbia Fire District, a component unit of the Caldwell Parish Police Jury, as of December 31, 1997, and for the year 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 and schedules 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.



Calibou, Louisiana
March 25, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

Statement A

EAST COLUMBIA FIRE DISTRICT
Columbia, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 1997

	GOVERNMENTAL FUND TYPE <u>GENERAL FUND</u>
ASSETS	
Cash	\$10,210
Receivables:	
Sales tax	123
Charges for services	<u>628</u>
TOTAL ASSETS	<u>\$10,961</u>
LIABILITIES AND FUND EQUITY	
Liabilities - payroll taxes payable	\$46
Fund Equity - fund balance - unreserved - undesignated	<u>10,915</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$10,961</u>

See accompanying notes and accountant's compilation report.

EAST COLUMBIA FIRE DISTRICT
Columbia, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement B

**Statement of Revenues, Expenditures, and
Changes in Fund Balance**

For the Year Ended December 31, 1997

REVENUES	
Sales taxes	\$2,484
Intergovernmental revenues -	
state - fire insurance rebate	2,410
Charges for services	7,443
Total revenues	<u>12,337</u>
EXPENDITURES	
Public safety:	
Cannon	
Salaries and related benefits	1,292
Office expense	513
Supplies	384
Utilities	726
Total expenditures	<u>2,915</u>
EXCESS OF REVENUES OVER EXPENDITURES	9,422
FUND BALANCE AT BEGINNING OF YEAR	<u>1,206</u>
FUND BALANCE AT END OF YEAR	<u><u>\$10,618</u></u>

See accompanying notes and accountant's compilation report.

EAST COLUMBIA FIRE DISTRICT
Columbia, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1997

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The East Columbia Fire District was created by the Caldwell Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492. The district is governed by a five member board appointed by the police jury. Board members serve without benefit of compensation. The district is responsible for providing fire protection within the boundaries of the district. The district has one part-time employee.

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the East Columbia Fire 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 established governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Caldwell 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. 34 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:

1. Appointing a voting majority of an organization's governing body,
and;

See accountant's compilation report.

EAST COLUMBIA FIRE DISTRICT

Columbia, Louisiana

Notes to the Financial Statements (Continued)

- a. The ability of the police jury to impose its will on the 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 Calcasieu 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 operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follows:

See accountant's compilation report.

EAST COLUMBIA FIRE DISTRICT

Columbia, Louisiana

Notes to the Financial Statements (Continued)

Governmental Funds

Governmental funds are used to account for all or most of the district's general activities, including the collection and disbursement of legally restricted monies. Governmental funds of the district include:

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. 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 modified financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements 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 the General Fund. The district uses the following practices in recording revenues and expenditures of the General Fund:

Revenues

Sales taxes are recognized as revenue when they are in the hands of their collecting agency, the Caldwell Parish Police Jury.

Each water meter in the district is assumed two dollars per month for fire protection services. Charges for services are recognized as revenue when they are in the hands of their collecting agency, the East Columbia Water District.

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

See accountant's compilation report.

EAST COLUMBIA FIRE DISTRICT

Columbia, Louisiana

Notes to the Financial Statements (Continued)

Based on the above criteria, sales taxes and charges for services have been treated as susceptible to accrual.

Expenditures

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

E. BUDGET PRACTICES

The district did not adopt a budget for the General Fund for the year ended December 31, 1997, as is required by the Local Government Budget Act.

F. CASH

Cash includes amounts in 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.

G. SALES TAXES

The district receives a pro-rata share of a one-fourth of one percent parishwide (excluding the Town of Columbia) sales tax approved by the voters in Caldwell Parish on October 19, 1983 for fire protection in the parish. The sales tax is collected by the police jury and remitted to the district net of its pro-rata share of the cost of collection.

3. CASH

At December 31, 1997, the district has cash (bank balances) of \$93,216. 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, 1997, are fully secured from risk by federal deposit insurance.

See accountant's compilation report.

EAST COLUMBIA FIRE DISTRICT

Columbia, Louisiana

Notes to the Financial Statements (Continued)

3. LITIGATION AND CLAIMS

The district was not involved in any litigation at December 31, 1997, nor is it aware of any unasserted claims.

See accountant's compilation report.

SUPPLEMENTAL INFORMATION SCHEDULES

See accountant's compilation report.

EAST COLUMBIA FIRE DISTRICT
Columbia, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended December 31, 1997

PRIOR AUDIT FINDINGS

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 1).

CURRENT YEAR FINDINGS

The corrective action plan for current year findings is presented in Schedule 2.

EAST COLUMBIA FIRE DISTRICT
Columbia, LouisianaSummary Schedule of Prior Audit Findings
For the Year Ended December 31, 1997

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Observed</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
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There were no prior year audit findings.

EAST COLUMBIA FIRE DISTRICT
Columbia, Louisiana

Corrective Action Plan
For Current Year Findings
For the Year Ended December 31, 1997

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
Management Letter	Failure to Adopt Budget for General Fund	Adopt General Fund Budget for 1998	Marva L. Gregory	June 30, 1998

See accountant's compilation report.

MANAGEMENT LETTER

EAST COLUMBIA FIRE DISTRICT

Columbia, Louisiana

While compiling the East Columbia Fire District's financial statements for the year ended December 31, 1997, a certain matter came to my attention which I feel should be conveyed to management of the district.

NEED TO ADOPT ANNUAL BUDGET

Louisiana Revised Statutes 38:1304 (A) requires the district to adopt an annual budget for the General Fund. The district did not adopt a budget for the year ended December 31, 1997. I recommend that a budget for the year ending December 31, 1998, be adopted at the board of commissioners's next regular board meeting.

GENERAL

I am available to assist the district with any problems or questions they may have concerning the above or any other matters.

Respectfully,


Carlton Dumas
March 25, 1998