

MANGHAM FIRE PROTECTION DISTRICT #4
RICHLAND PARISH, STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

V. RISK OF LOSS

The District is exposed to a variety of risks that may result in losses. These risks include possible loss from acts of God, injury to volunteer firemen, property damage, or breach of contract. The District finances these potential losses through purchasing insurance from several commercial companies. The level of coverage has remained constant. The District is not a member of a risk pool. All claims currently filed are adequately covered by the policies in place with no outstanding liabilities for the District.

VI. COMPENSATION TO BOARD OF DIRECTORS

Members of the Board of Directors receive no compensation for their services.

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On January 30, 1995, the District issued two Parcel Fee Bonds totaling \$476,000 at an interest rate of 5.25%. The following schedule outlines the bond details and repayment information:

Bond R-1: Principal of \$119,000 with twenty-two annual payments. The first payment on January 31, 1996 was for interest only. The remaining annual payments of \$9,477 will consist of principal and interest.

Bond R-2: Principal of \$357,000 with fifteen annual payments. The first payment on January 31, 1996 was for interest only. The remaining annual payments of \$36,646 will consist of principal and interest.

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>
June 30, 1998	22,242	23,881	46,123
June 30, 1999	23,410	22,713	46,123
June 30, 2000	24,639	21,484	46,123
June 30, 2001	25,933	20,190	46,123
June 30, 2002	27,294	18,829	46,123
June 30, 2003- 2017	<u>331,349</u>	<u>103,973</u>	<u>435,322</u>
	<u>454,867</u>	<u>211,070</u>	<u>665,937</u>

D. LEASES AND COMMITMENTS

The District anticipates needing 4 fire stations to properly serve the geographic area. Fire Station #1, the Mangham Fire Station, is leased from the Town of Mangham for \$1 per year.

E. FUND BALANCE

The District's Fund Balance is reserved to the extent of the bond commitment restriction on cash. The Rural Economic Community Development requires the District to maintain a Reserve Fund Cash Account.

III. FINANCIAL STATEMENT PRESENTATION

Total columns on the 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.

IV. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Revenues failed to meet budgeted requirements for the fiscal year ended June 30, 1997.

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expenditures shall be the amount accrued during the year that would normally be liquidated with expendable available financial resources.

D. BUDGET AND BUDGETARY ACCOUNTING

Annually the board adopts a budget that is submitted to the Richland Parish Police Jury. The Budget is adopted in May of each year and is prepared and reported on a modified accrual basis of accounting. Although budget amounts lapse at year end, the board retains its unexpended fund balance to fund expenditures of the succeeding year.

Formal budget integration is not employed as a management control device during the year. The budget amounts reported are the amended budgets of the District.

II. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. CASH AND CASH EQUIVALENTS

At June 30, 1997, the District had unrestricted cash and cash equivalents (book balances) totaling \$7,049, which included petty cash of \$50. Additionally, the District had cash of \$23,067, which was restricted by its Rural Economic Development commitment. These deposits are secured from risk by federal deposit insurance. Statutes authorize the district to maintain deposits in any institution providing federal deposit insurance protection.

B. CHANGES IN GENERAL FIXED ASSET ACCOUNT GROUP

YEAR ENDED JUNE 30, 1997:

Land, Buildings and Equipment, Beginning of Year	589,970
Additions-Equipment	<u>2,020</u>
Land, Buildings and Equipment, End of Year	<u>591,990</u>

C. GENERAL LONG-TERM DEBT

CHANGES IN GENERAL LONG-TERM DEBT

General Long-Term Debt, July 1, 1996	476,000
Proceeds of Loans during year	-
Repayment of Loan Principal during year	<u>(21,133)</u>
General Long-Term Debt, June 30, 1997	<u>454,867</u>

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NOTES TO FINANCIAL STATEMENTS
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balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are recorded at historical cost or estimated value at date of donation.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in governmental funds.

The two account groups are not "funds". They are concerned only with measurement of financial position. They are not involved with measurement of results of operations.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

GOVERNMENTAL FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Parcel fees are levied on November 1 and are due and payable at that time. Fees become delinquent after December 31. An enforceable lien attaches on May 31. The District bills and collects its own parcel fees. Property seized for nonpayment of parcel fees is processed through the Richland Parish Sheriff's Office for collections.

The measurement focus of governmental funds is on expenditures which represent decreases in net financial resources. Most expenditures are measurable and should be recorded when the related liability is incurred. The

MANGHAM FIRE PROTECTION DISTRICT #4
RICHLAND PARISH, STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Mangham Fire Protection District #4, Richland Parish, State of Louisiana (the "District") was created by the Richland Parish Police Jury in 1992. In July, 1992, a special election was called to propose the funding of the District by imposing an annual parcel fee of \$100 for a period of twenty-five years. The proposition was approved by electoral ballot and collection of fees began in 1992. The District is governed by a Board of Directors consisting of five members appointed by the Richland Parish Police Jury.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. SCOPE OF REPORTING ENTITY

The District is considered a component unit of the Richland Parish Police Jury, State of Louisiana because the Police Jury created the District and appoints the board members. The accompanying statements represent the activities of the District.

This report contains all of the funds and account groups of the District. There are no significant additional organizations, functions or activities over which the District has manifestation of oversight, or for which the scope of public service or special financial arrangements may require them to be included in this report.

B. BASIS OF PRESENTATION

1. FUND CATEGORIES

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. The funds are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUNDS - GENERAL FUND - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

2. ACCOUNT GROUPS

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund

MANGHAM FIRE PROTECTION DISTRICT #4
 RICHLAND PARISH, STATE OF LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL -
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES		
Parcel Fees	75,500	70,100
Intergovernmental	4,000	4,049
Penalties	-	534
Interest	1,000	1,381
Total Revenues	<u>80,500</u>	<u>76,064</u>
EXPENDITURES		
Current-Fire Protection		
Administrative	6,350	7,743
Equipment & Building Maintenance	7,000	10,058
Fuel and Travel	1,700	2,060
Insurance	15,000	15,022
Licenses and Fees	-	85
Rent	-	-
Supplies	-	4,129
Utilities	4,000	4,102
Total Current-Fire Protection	<u>34,050</u>	<u>43,200</u>
Debt Service	50,820	46,134
Capital Outlay	7,300	2,020
Total Expenditures	<u>92,170</u>	<u>91,354</u>
Deficiency of Revenues under Expenditures	(<u>11,670</u>)	(<u>15,290</u>)
Fund Balance Beginning of Year		<u>47,457</u>
Fund Balance End of Year		<u>32,167</u>

See Accountants' Compilation Report. The notes to these financial statements are an integral part of this financial statement.

MANGHAM FIRE PROTECTION DISTRICT #4
 RICHLAND PARISH, STATE OF LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 1997
 WITH COMPARATIVE TOTALS FOR JUNE 30, 1996

	<u>1997</u>	<u>1996</u>
REVENUES		
Parcel Fees	70,100	65,000
Intergovernmental	4,049	5,024
Penalties Assessed	534	147
Interest	1,381	1,727
Miscellaneous	-	2,306
Total Revenues	<u>76,064</u>	<u>74,204</u>
 EXPENDITURES		
Current-Fire Protection		
Administrative	7,743	9,023
Equipment & Building Maintenance	10,058	31,334
Fuel and Travel	2,060	1,484
Insurance	15,022	7,420
Licenses and Fees	85	263
Rent	1	1
Supplies	4,129	10,454
Utilities	4,102	5,047
Total Current-Fire Protection	<u>43,200</u>	<u>65,033</u>
Debt Service		
Principal	21,133	-
Interest	25,001	18,672
Total Debt Service	<u>46,134</u>	<u>18,672</u>
Capital Outlay	2,020	31,433
Total Expenditures	<u>91,354</u>	<u>115,138</u>
Deficiency of Revenues under Expenditures	(<u>15,290</u>)	(<u>40,944</u>)
 Fund Balance Beginning of Year	 <u>47,447</u>	 <u>88,396</u>
Fund Balance End of Year	<u>32,157</u>	<u>47,447</u>

See Accountants' Compilation Report. The notes to these financial statements are an integral part of this financial statement.

MANGHAM FIRE PROTECTION DISTRICT #4
 RICHLAND PARISH, STATE OF LOUISIANA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1997

	Governmental Fund	Account Groups		Totals	
	General Fund	General Fixed Assets	General Long-term Debt	(Memorandum Only 1997	1996
ASSETS AND OTHER DEBITS:					
Assets:					
Cash - Unrestricted	7,049	-	-	7,049	17,097
Cash - Restricted	23,067	-	-	23,067	27,680
Accounts Receivable - Intergovernmental	4,049	-	-	4,049	4,037
Fixed Assets	-	591,990	-	591,990	589,970
Amount to be Provided for Debt Service	-	-	454,867	454,867	476,000
Total Assets and Other Debits	<u>34,165</u>	<u>591,990</u>	<u>454,867</u>	<u>1,081,022</u>	<u>1,114,784</u>
LIABILITIES, EQUITY AND OTHER CREDITS:					
Liabilities:					
Accounts Payable	2,008	-	-	2,008	1,367
Notes Payable	-	-	454,867	454,867	476,000
Total Liabilities	<u>2,008</u>	<u>-</u>	<u>454,867</u>	<u>456,875</u>	<u>477,367</u>
Equity and Other Credits:					
Investment in General Fixed Assets	-	546,990	-	546,990	544,970
Contributed Capital	-	45,000	-	45,000	45,000
Fund Balance-Unreserved	9,090	-	-	9,090	19,767
Fund Balance-Reserved	23,067	-	-	23,067	27,680
Total Equity and Other Credits	<u>32,157</u>	<u>591,990</u>	<u>-</u>	<u>624,147</u>	<u>637,417</u>
Total Liabilities, Equity and Other Credits	<u>34,165</u>	<u>591,990</u>	<u>454,867</u>	<u>1,081,022</u>	<u>1,114,784</u>

See Accountants' Compilation Report. The notes to these financial statements are an integral part of this financial statement.

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 42:12 (the open meetings law).

Board meetings are set for the fourth Monday of each month. The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's building. The Board has asserted that such documents were properly posted.

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, 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.

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

There are no employees of the District.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on Board'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 the Board of Directors of the 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.

Cochran, Clark & Robinson

December 5, 1997

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.

There are no employees of the District.

5. Obtained a copy of the legally adopted budget and all amendments.

The Board provided us with a copy of the original budget and amendments to the budget during the year.

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

We traced the adoption of the original budget to the minutes of a meeting held on June 25, 1996 which indicated that the budget had been adopted by the Board of the District. The amendments were made to the budget on June 23, 1997.

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%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues failed to meet the budget requirements by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

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

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

All of the payments were properly coded to the correct fund and general ledger account.

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

Inspection of documentation supporting each of the six selected disbursements indicated approvals from a Board Member. In addition, each of the disbursements were traced to the District's minute book where they were approved by the full Board.

Susan C. Cochran
A.C. Clark III
Renee' Robinson

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Fax (318) 733-1111

Independent Accountants' Report on Applying Agreed-Upon Procedures

Board of Directors
Mangham Fire Protection District #4
P.O. Box 311
Mangham, LA 71259

To the Board of Directors of Mangham Fire Protection District #4:

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Board of Directors of the District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating Directors' assertions about the District's compliance with certain laws and regulations during the year ended June 30, 1997 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 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 38:2211-2251 (the public bid law).

During the fiscal year, there were no payments of \$5,000 or more made for materials or supplies.

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.

The Board provided us with the required list including the noted information. Related party transactions are disclosed in the financial statements.

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

There are no employees of the District.

Cochran, Clark & Robinson

A Corporation of Certified Public Accountants

905 Julia Street • P.O. Box 538 • Rayville, Louisiana 71269

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A.C. Clark III
Renee' Robinson

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December 5, 1997

Gary Piro, President
Members of the Board of Directors
Mangham Fire Protection District #4
Mangham, Louisiana

We have compiled the general purpose financial statements of the Mangham Fire Protection District #4, a component unit of the Richland Parish Police Jury, Richland Parish, State of Louisiana, as of and for the year ended June 30, 1997, 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.

Cochran, Clark & Robinson

MANGHAM FIRE PROTECTION DISTRICT #4
RICHLAND PARISH, STATE OF LOUISIANA

ANNUAL FINANCIAL REPORT
JUNE 30, 1997

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MANGHAM FIRE PROTECTION DISTRICT #4
RICHLAND PARISH POLICE JURY
STATE OF LOUISIANA

COMPONENT UNIT ANNUAL FINANCIAL REPORT
JUNE 30, 1997

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 JAN 2 1998

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