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FIRE PROTECTION DISTRICT NO. 9

OF CADDO PARISH

DIXIE GARDENS, LOUISIANA

DECEMBER 31, 1998

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Release Date **APR 14 1999**

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

DIXIE GARDENS, LOUISIANA

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COMPILED FINANCIAL STATEMENTS

March 26, 1999

Board of Commissioners
Fire Protection District No. 9 of Caddo Parish
Dixie Gardens, Louisiana

We have compiled the accompanying component unit financial statements of Fire Protection District No. 9 of Caddo Parish, a component unit of the Caddo Parish Commission, as of and for the year ended December 31, 1998, 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 component unit financial statements information that is the representation of the District. We have not audited or reviewed the accompanying component unit financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Heard, McElroy + Vestal, LLP

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

ALL FUND TYPES AND ACCOUNT GROUPS

BALANCE SHEET AT DECEMBER 31, 1998

| | <u>Governmental Fund General Fund</u> | <u>Account Group General Fixed Assets</u> | <u>Total (Memorandum Only)</u> |
|---|---|---|--|
| <u>ASSETS AND OTHER DEBITS</u> | | | |
| Cash-Note 3 | 14,159 | - | 14,159 |
| Certificates of deposit | 25,000 | - | 25,000 |
| Receivables: | | | |
| Ad valorem taxes | 40,308 | - | 40,308 |
| State revenue sharing | 337 | - | 337 |
| Deposits | 250 | - | 250 |
| Other debits: | | | |
| Buildings-Note 4 | - | 35,243 | 35,243 |
| Equipment-Note 4 | - | 19,409 | 19,409 |
| Fire truck-Note 4 | - | <u>104,699</u> | <u>104,699</u> |
| Total assets and other debits | <u>80,054</u> | <u>159,351</u> | <u>239,405</u> |
| <u>FUND EQUITY</u> | | | |
| Fund equity: | | | |
| Fund balance-unreserved and undesignated | 80,054 | - | 80,054 |
| Investment in general fixed assets | - | <u>159,351</u> | <u>159,351</u> |
| Total fund equity | <u>80,054</u> | <u>159,351</u> | <u>239,405</u> |

See accompanying notes and accountants' report.

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 1998

| | <u>General Fund</u> |
|---|-------------------------|
| <u>Revenues:</u> | 45,173 |
| Ad valorem taxes-Note 2 | 412 |
| Interest | |
| Intergovernmental revenues-state funds: | 1,411 |
| State revenue sharing | <u>1,965</u> |
| Fire insurance premium rebate | 48,961 |
| Total revenues | |
| <u>Expenditures:</u> | |
| Public safety-fire protection: | 123 |
| Dues | 618 |
| Utilities | 2,991 |
| Insurance | 867 |
| Operating supplies | 2,503 |
| Capital outlay-Note 4 | 393 |
| Repairs and maintenance | 295 |
| Medical supplies | 1,059 |
| Sheriff's commissions | 1,600 |
| Communications and telephone | 181 |
| Vehicle operations | 1,025 |
| Audit fees | 1,917 |
| Training and education | 7,173 |
| Firefighting supplies | 650 |
| Contract services | 267 |
| Miscellaneous | |
| Debt service: | 16,521 |
| Principal on capital lease | <u>1,363</u> |
| Interest | <u>39,546</u> |
| Total expenditures | |
| <u>Excess of revenues over expenditures</u> | 9,415 |
| <u>Fund balance at beginning of year</u> | <u>70,639</u> |
| <u>Fund balance at end of year</u> | <u>80,054</u> |

See accompanying notes and accountants' report.

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-

BUDGET (CASH BASIS) AND ACTUAL (CASH BASIS)

FOR THE YEAR ENDED DECEMBER 31, 1998

| | <u>General Fund</u> | | |
|---|---------------------|---------------|---|
| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
| <u>Revenues:</u> | | | |
| Ad valorem taxes | 35,000 | 45,246 | 10,246 |
| Interest | - | 412 | 412 |
| Intergovernmental revenues-state funds: | | | |
| State revenue sharing | 1,100 | 1,611 | 511 |
| Fire insurance premium rebate | <u>1,900</u> | <u>1,965</u> | <u>65</u> |
| Total revenues | 38,000 | 49,234 | 11,234 |
| <u>Expenditures:</u> | | | |
| Public safety-fire protection: | | | |
| Insurance | 3,800 | 2,991 | 809 |
| Legal fees | 500 | - | 500 |
| Utilities | 1,450 | 618 | 832 |
| Dues | 100 | 123 | (23) |
| Audit fees | 1,400 | 1,025 | 375 |
| Training and education | 200 | 1,917 | (1,717) |
| Publicity | 35 | - | 35 |
| Medical supplies | 2,000 | 295 | 1,705 |
| Vehicle operations | 150 | 181 | (31) |
| Operating supplies | 750 | 867 | (117) |
| Communications and telephone | 1,350 | 1,600 | (250) |
| Capital outlay and firefighting supplies | 7,130 | 9,676 | (2,546) |
| Repairs and maintenance | 500 | 393 | 107 |
| Miscellaneous | 150 | 267 | (117) |
| Contract services | 600 | 650 | (50) |
| Debt service: | | | |
| Principal on capital lease | 16,521 | 16,521 | - |
| Interest | <u>1,364</u> | <u>1,363</u> | <u>1</u> |
| Total expenditures | <u>38,000</u> | <u>38,487</u> | <u>(487)</u> |
| <u>Excess of revenues over expenditures</u> | <u>-</u> | 10,747 | <u>10,747</u> |
| <u>Fund balance at beginning of year</u> | | <u>28,242</u> | |
| <u>Fund balance at end of year</u> | | <u>38,989</u> | |

See accompanying notes and accountants' report.

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1998

INTRODUCTION

Fire Protection District No. 9 of Caddo Parish was created in 1990 by resolution of the Caddo Parish Commission to purchase and maintain fire equipment and to provide fire protection for the people of Fire Protection District No. 9 of Caddo Parish. Operations began in May, 1990. The district is governed by a board of commissioners consisting of 5 members, all of whom are appointed by the Caddo Parish Commission. Members serve two-year terms and receive no compensation for their services. Fire protection services are provided on a voluntary basis, as the district has no employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of Fire Protection District No. 9 of Caddo 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 establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Caddo Parish Commission for financial reporting purposes. The basic criteria 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 commission 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 commission.
2. Organizations for which the commission does not appoint a voting majority but are fiscally dependent on the commission.
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.

Because the Caddo Parish Commission appoints all members of the governing board and has the ability to impose its will on them, the district was determined to be a component unit of the Caddo Parish Commission, the governing body of the parish. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish commission, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. FUND ACCOUNTING

The district uses a fund and an account group (general fixed assets) 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 available financial resources.

The general fund of the district is classified as a governmental fund. 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. All financial resources are accounted for in the general fund.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund is 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 this fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. *Ad valorem taxes* are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Substantially all other revenues are recorded when they become available to the district.

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.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources. Debt proceeds are accounted for as other financing sources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. BUDGETS

The budget for the ensuing year is prepared by district personnel prior to December 31 of each year. The budget is then made available for public inspection at least fifteen days prior to the budget's adoption during the district's regular December meeting. The budget is prepared on the cash basis of accounting, and is legally adopted and amended, if necessary, by the Board of Commissioners. Unexpended appropriations lapse at year end and must be reappropriated in the following year's budget to be expended. Budget amounts included in the accompanying financial statements include the original adopted budget and any subsequent amendments.

The following is a reconciliation of excess of revenues over expenditures (GAAP basis) presented on Pages 3 and 4:

| | |
|---|--------------|
| Excess of revenues over expenditures (budget basis) | 10,747 |
| Adjustments: | |
| Property tax accruals, net | (1,132) |
| Revenue sharing accruals and other | <u>(200)</u> |
| Excess of revenues over expenditures (GAAP basis) | <u>9,415</u> |

F. CASH AND CERTIFICATES OF DEPOSIT

Cash includes amounts in demand deposits and interest bearing demand deposits. 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.

G. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

II. OBLIGATIONS UNDER CAPITAL LEASES

Obligations under capital leases expected to be financed from the governmental fund are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental fund when due.

I. TOTAL COLUMNS ON STATEMENTS

The 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.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes and parcel fees for 1998:

| | <u>Authorized</u> | <u>Levied</u> |
|--|-------------------|---------------|
| Maintenance and operation tax (millage) | 11.75 | 11.75 |
| Parcel fee (per parcel of business property) | \$75.00 | \$75.00 |

3. CASH

At December 31, 1998, the district has cash (book balances) in demand deposits and certificates of deposit that total \$39,159. These deposits are stated at cost, which approximates market value. All of the deposits are secured by federal deposit insurance.

4. CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

| | <u>Balance January 1, 1998</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance December 31, 1998</u> |
|------------|--|------------------|------------------|--|
| Buildings | 35,243 | - | - | 35,243 |
| Equipment | 18,338 | 1,071 | - | 19,409 |
| Fire truck | <u>103,267</u> | <u>1,432</u> | <u>-</u> | <u>104,699</u> |
| Total | <u>156,848</u> | <u>2,503</u> | <u>-</u> | <u>159,351</u> |

5. LITIGATION AND CLAIMS

At December 31, 1998, the district is not involved in any litigation or aware of any claims.