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**BISSOTO PARISH FIRE DISTRICT NO. 9**  
Prichard, Louisiana

General Purpose Financial Statements  
With Accountant's Compilation Report  
and Agreed-Upon Procedures Report  
As of and for the Year Ended  
December 31, 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 State Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAY 25, 1998

VERNON R  
COON  
LEGISLATIVE AUDITOR  
STATE OF LOUISIANA

DESOYO PARISH FIRE DISTRICT NO. 9  
Princeton, Louisiana

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

C O N T E N T S

	<u>Statement</u>	<u>Page No.</u>
Accountant's Compilation Report		2
General Purpose Financial Statements:		
Governmental Fund Type - General Fund:		
Balance Sheet	A	4
Statement of Revenues, Expenditures, and Changes in Fund Balance	B	5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	C	6
Notes to the Financial Statements		7
	<u>Schedule</u>	<u>Page No.</u>
Summary Schedule of Prior Year Findings		13
Accountant's Report on Applying Agreed-Upon Procedures		17
Louisiana Attestation Questionnaire		22

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

DEBOTO PARISH FIRE DISTRICT NO. 9  
Prichard, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1997

	GOVERNMENTAL FUND TYPE		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	DEBT SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
<b>ASSETS AND OTHER DEBITS</b>					
Cash and cash equivalents	\$27,503	\$28,120			\$55,623
Receivables:					
Ad valorem taxes	41,174	55,360			96,534
State revenue sharing	3,424				3,424
Due from General Fund		6,283			6,283
Land, buildings, and equipment			\$492,292		492,292
Amount available in debt service fund				\$89,765	89,765
Amount to be provided for retirement of general long-term debt				230,235	230,235
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>\$102,151</u>	<u>\$89,765</u>	<u>\$492,292</u>	<u>\$320,000</u>	<u>\$1,004,208</u>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Due to Debt Service Fund	\$6,283				
Bonds payable				\$320,000	\$320,000
Total Liabilities	<u>6,283</u>	<u>NONE</u>	<u>NONE</u>	<u>320,000</u>	<u>326,283</u>
<b>Fund Equity:</b>					
Investment in general fixed assets			\$492,292		492,292
Fund balance:					
Reserved for debt service		\$89,765			89,765
Unreserved - undesignated	<u>95,869</u>				95,869
Total Fund Equity	<u>95,869</u>	<u>89,765</u>	<u>492,292</u>	<u>NONE</u>	<u>677,926</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$102,151</u>	<u>\$89,765</u>	<u>\$492,292</u>	<u>\$320,000</u>	<u>\$1,004,208</u>

See accompanying notes and accountant's compilation report.

DEBOTE PARISH FIRE DISTRICT NO. 9  
Prichard, Louisiana  
GOVERNMENTAL FUND TYPE

Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1987

	GENERAL FUND	DEBT SERVICE FUND	TOTAL (MEMORANDUM ONLY)
<b>REVENUES</b>			
Ad valorem taxes	\$47,153	\$63,188	\$110,321
Intergovernmental revenues - state funds:			
State revenue sharing	3,136		3,136
Fire insurance rebate	3,084		3,084
Use of money and property	2,154	983	3,137
Other revenues	490		490
Total revenues	<u>55,817</u>	<u>64,171</u>	<u>122,188</u>
<b>EXPENDITURES</b>			
Public safety - current:			
Operating services	32,837	340	33,177
Materials and supplies	7,825		7,846
Debt service		<u>38,777</u>	<u>38,777</u>
Total expenditures	<u>40,662</u>	<u>39,117</u>	<u>79,779</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	17,505	25,054	42,559
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>78,361</u>	<u>94,631</u>	<u>142,992</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$95,866</u>	<u>\$119,785</u>	<u>\$315,651</u>

See accompanying notes and accountant's compilation report.

DESOYO PARISH FIRE DISTRICT NO. 9  
 Prien, 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, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Ad valorem taxes	\$48,182	\$47,153	(\$1,029)
Intragovernmental revenue - state funds:			
State revenue sharing	5,800	5,136	136
Fire insurance rebate	5,800	3,084	84
Use of money and property - interest earnings		2,154	2,154
Other revenues	<u>2,018</u>	<u>489</u>	<u>(1,528)</u>
Total revenues	<u>\$61,799</u>	<u>\$55,912</u>	<u>(5,887)</u>
<b>EXPENDITURES</b>			
Public safety - current:			
Operating services	43,400	51,657	12,763
Materials and supplies	<u>12,800</u>	<u>7,875</u>	<u>4,925</u>
Total expenditures	<u>\$56,200</u>	<u>\$59,532</u>	<u>\$3,332</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>NONE</b>	<b>17,385</b>	<b>17,385</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>NONE</b>	<b>18,361</b>	<b>18,361</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>NONE</b>	<b>\$35,866</b>	<b>\$35,866</b>

See accompanying notes and accountant's compilation report.

**DESOLO PARISH FIRE DISTRICT NO. 9**  
**Bolton, Louisiana**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DeSoto Parish Fire District No. 9 was created by the DeSoto Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on April 9, 1986. The district is governed by a five member board appointed by the police jury. 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.

**A. 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 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 DeSoto Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. 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.

DESO TO PARISH FIRE DISTRICT NO. 9  
Prichard, Louisiana  
Notes to the Financial Statements (Continued)

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 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, appoints the commissioners of the district, and has the ability to impose its will on the district, the district was determined to be a component unit of the DeSo to 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 the governmental unit, or the other governmental units that comprise the DeSo to Parish financial reporting entity.

## **B. 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 fixed assets and general long-term obligations) that are not recorded in the "Yards" 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.

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 the use of only a governmental fund type. The governmental fund types of the district are described as follows:



DESO TO PARISH FIRE DISTRICT NO. 9  
Prichard, Louisiana  
Notes to the Financial Statements (Continued)

**General Fund**

The General Fund is the general operating fund of the district and is used to account for all financial activities not required to be accounted for in other funds. Primary funding is provided by an ad valorem tax approved by voters of the district, state fire insurance rebates, state revenue sharing, and interest earnings on investments.

**Debt Service Fund**

The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

**C. 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. Fixed assets are valued at actual historical costs. No depreciation has been provided on general fixed assets. Approximately 95 percent of general fixed assets are valued at actual cost while the remaining 5 per cent are valued at estimated cost, based on the actual historical cost of like items. The account group is not a "fund", it is concerned only with the measurement of financial position and does not involve measurement of results of operations.

Long-term debt, such as general obligation bonds, are recognized as a liability of a governmental fund only when due. The remaining portion of such obligations is reported in the general long-term debt account group.

**D. BASIS OF ACCOUNTING**

The financial 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 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.

**DESOYO PARISH FIRE DISTRICT NO. 9**  
**Friverson, Louisiana**  
**Notes to the Financial Statements (Continued)**

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 susceptible 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:

**Revenues**

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and 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 47:1963 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, January, and February of the current year.

Other intergovernmental revenues are recorded when the district is entitled to the funds.

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

Based on the above criteria, ad valorem taxes, state revenue sharing, and other intergovernmental revenues 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**

A preliminary budget for the ensuing year is prepared by the board of commissioners in November and made available to the public. The budget is then adopted during the regular December meeting. The proposed budget for the General Fund is

MISSISSIPPI PARISH FIRE DISTRICT NO. 9  
Frisson, Louisiana  
Notes to the Financial Statements (Continued)

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.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

**F. CASH AND CASH EQUIVALENTS**

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1997, the district has cash and cash equivalents (bank balances) totaling \$85,673 as follows:

Demand deposits	\$43,573
Time deposits	<u>\$42,000</u>
Total	<u>\$85,573</u>

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. Deposit balances (bank balances) at December 31, 1997, total \$85,283, and are fully secured by federal deposit insurance.

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

Total columns on the combined statements are captioned Memorandum Only (overview) 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.

DESOTO PARISH FIRE DISTRICT NO. 9  
 Filmore, Louisiana  
 Notes to the Financial Statements (Continued)

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
District taxes:			
General maintenance	10.00	11.50	1998
Debt service	variable	16.00	2009

The following are the principal taxpayers for the parish and their 1997 assessed valuations:

	<u>1997 Assessed Valuation</u>	<u>Per cent of Total Assessed Valuation</u>
Central LA Electric Co.	\$58,123	22.94%
International Paper Co.	33,579	20.21%
Southeastern Electric Power	31,318	18.89%
Delet Hills Mining Venture	4,480	2.67%
South Central Bell	3,997	2.46%
Southern Natural Gas	2,811	1.68%
Louisiana Pacific	2,088	1.32%
Valley Electric Membership	1,862	1.12%
First National Bank, Mansfield	1,453	0.91%
Texas Eastern Transmission Corp.	1,319	0.67%
Total	<u>\$120,491</u>	<u>72.31%</u>

3. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the year ended December 31, 1997:

DESOVO PARISH FIRE DISTRICT NO. 9  
 Friction, Louisiana  
 Notes to the Financial Statements (Continued)

	Balance January 1,	Additions	Deletions	Balance December 31,
Land and buildings	\$115,157			\$115,157
Fire fighting equipment	<u>372,135</u>	<u>4,899</u>		<u>377,135</u>
Total	<u>\$487,183</u>	<u>\$4,899</u>	<u>NONE</u>	<u>\$492,282</u>

4. CHANGES IN GENERAL  
 LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 1997:

Bonds payable at January 1, 1997	\$315,000
Additions	
Reductions	<u>(15,000)</u>
Bonds payable at December 31, 1997	<u>\$300,000</u>

The general obligation bonds payable at December 31, 1997 were issued December 1, 1989. Annual installments of \$13,000 to \$40,000 are due through June 1, 2009 with interest at 6.9 per cent to 7.4 per cent. Debt retirement payments are made from the Debt Service Fund.

The annual requirements to amortize all general long-term debt outstanding at December 31, 1997, including interest of \$161,662, are as follows:

Year	
1998	37,637
1999	41,430
2000	40,040
2001	38,630
2002	42,028
2003-2007	194,519
2008-2009	<u>67,580</u>
Total	<u>\$481,662</u>

DESDO PARISH FIRE DISTRICT NO. 9  
Frisson, Louisiana  
Notes to the Financial Statements (Continued)

5. LITIGATION AND CLAIMS

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

**Schedule I**

**DESOTO PARISH FIRE DISTRICT NO. 9  
Prien, Louisiana**

**Summary Schedule of Prior Year Findings  
For the Year Ended December 31, 1997**

The compilation and agree-upon procedures report for the year ended December 31, 1996 contained a finding regarding the need to obtain quotes for expenditures for materials and supplies between \$5,000 and \$50,000 in accordance with LSA-RS 38:221-2251 (the public bid law). That finding has been resolved by management of the fire district.

**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* and the *Louisiana Attachment Gouvernementale*, 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 COMMISSIONERS  
DESOLO PARISH FIRE DISTRICT NO. 9  
Princeton, Louisiana**

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Desoto Parish Fire District No. 9 and the *Legislative Auditor*, State of Louisiana, solely to assist the users in evaluating management's assertions about the Desoto Parish Fire District No. 9's compliance with certain laws and regulations during the year ended December 31, 1997 included in the accompanying *Louisiana Attention 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 each purchase was made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursement journals for the year. That review did not disclose any expenditures made for materials and supplies exceeding \$5,000 or any expenditures made for public works exceeding \$50,000.

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**DEBOTO PARISH FIRE DISTRICT NO. 9**  
*Independent Accountant's Report on*  
*Applying Agreed Upon Procedures*  
*December 31, 1997*

**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 42:1191-1194 (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.

The district has no employees.

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.

As stated above, the district has no employees.

**Budgeting**

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

Management provided me with a copy of the original budget. There were no amendments to the budget during the year.

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

I traced the adoption of the original budget to the minutes of a meeting held on November 11, 1996 which indicated that the budget had been adopted by the Board of Commissioners of the DeBoto Parish Fire District No. 9 by a vote of all in favor and none opposed.

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 5% or more.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fall to meet budgeted amounts by 5% or more, nor did actual expenditures exceed budgeted amounts by 5% or more.

DESOTO PARISH FIRE DISTRICT NO. 9  
Independent Accountant's Report on  
Applying Agreed Upon Procedures  
December 31, 1997

**Accounting and Reporting**

9. 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 disclosed the following:

- (a) The six selected disbursements were for the proper amount as reflected on supporting documentation and were made to the correct payee.
- (b) All six payments were coded to the correct fund and general ledger account.
- (c) Inspection of canceled checks for each of the six disbursements indicated approval from one board member. Further, the types of disbursements made were included in the district's approved budget.

**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 opening meetings law).

I inquired of management whether agendas for meetings were posted at the meeting place at least twenty-four hours prior to the meeting. Management stated that agendas were posted and a copy is retained by the bookkeeper.

**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 period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

DESOUDS PARISH FIRE DISTRICT NO. 9  
Independent Accountant's Report on  
Applying Agreed Upon Procedures  
December 31, 1997

**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.

*As stated in number 1 above, the district has no paid employees. A reading of the minutes of the board for the year indicated no approval for the payments noted. I also inspected disbursements journals for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.*

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 the DeSouls Parish Fire District No. 9 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.



Wm Monroe, Louisiana  
April 28, 1998