

**Monterey Fire Protection District No. 1**

Concordia Parish, Louisiana  
(A Component Unit of the  
Concordia Parish Police Jury)  
Monterey, Louisiana

Financial Statements  
(Unaudited)

As of December 31, 2010  
And for the Year then Ended

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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

8/10/11

# Monterey Fire Protection District No. 1

Concordia Parish, Louisiana  
(A Component Unit of the  
Concordia Parish Police Jury)  
Monterey, Louisiana

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**ACCOUNTANT'S COMPILATION REPORT**

To the Board of Directors  
Monterey Fire Protection District No. 1

I have compiled the accompanying financial statements of the governmental activities of the Monterey Fire Protection District No. 1 (the District) as of and for the year ended December 31, 2010, which comprise the District's basic financial statements as listed in the table of contents. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

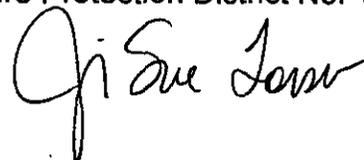
The management of the Monterey Fire Protection District No. 1 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The management's discussion and analysis, on pages 2 – 4 is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplemental information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or provide any assurance on the supplementary information.

I am not independent with regard to the Monterey Fire Protection District No. 1.

June 21, 2011



**Section I**

**Required Supplemental Information  
Management's Discussion and Analysis (MD&A)**

**MONTEREY FIRE PROTECTION DISTRICT NO. 1**  
**(A Component Unit of the Concordia Parish Police Jury)**  
**MANAGEMENT DISCUSSION & ANALYSIS (MD&A)**  
**YEAR ENDED DECEMBER 31, 2010**

## **INTRODUCTION**

The discussion and analysis (MD&A) of the Monterey Fire Protection District No. 1's (the district) financial performance provides an overall narrative review of the District's financial activities for the year ended December 31, 2010 and 2009. The intent of this discussion and analysis is to look at the District's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

The Monterey Fire Protection District No. 1's main office is located in Monterey, Louisiana in Concordia Parish. The District provides fire protection services to approximately 2,000 customers and is a component unit of the Concordia Parish Police Jury

## **FINANCIAL HIGHLIGHTS**

- Assets exceeded liabilities by \$312,676 and \$290,284 at December 31, 2010 and 2009.
- Total revenues exceeded expenditures by \$22,392 for 2010 and \$216,262 in 2009.
- The District had net capital assets of \$384,646 and \$376,247 at December 31, 2010 and 2009.

## **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Monterey Fire Protection District No. 1's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year.

The government-wide financial statements can be found on pages 6-7 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

**MONTEREY FIRE PROTECTION DISTRICT NO. 1**  
**(A Component Unit of the Concordia Parish Police Jury)**  
**MANAGEMENT DISCUSSION & ANALYSIS (MD&A)**  
**YEAR ENDED DECEMBER 31, 2010**

The basic governmental fund financial statements can be found on pages 8-11 of this report

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 12-16 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Assets for the period ending December 31, 2010 and 2009**

The following is a summary of the net assets of the district's net assets as of December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Cash	\$ 15,687	\$ 13,062
Accounts receivable, taxes	74,341	78,483
Capital assets, net	<u>384,646</u>	<u>376,247</u>
<b>Total Assets</b>	<u>474,674</u>	<u>467,792</u>
Accrued liabilities	3,667	5,090
Current portion - loans payable	62,174	35,647
Long-term portion - loans payable	<u>96,157</u>	<u>136,771</u>
<b>Total Liabilities</b>	<u>161,998</u>	<u>177,508</u>
<b>Net Assets</b>		
Investment in capital assets, net of related debt	226,315	203,829
Unrestricted	<u>86,361</u>	<u>86,455</u>
<b>Total Net Assets</b>	<u>\$ 312,676</u>	<u>\$ 290,284</u>

The largest portion of the District's net assets (\$226,315 or 72%) is its investment in capital assets such as equipment less related debt expended in the acquisition of those assets.

MONTEREY FIRE PROTECTION DISTRICT NO. 1  
(A Component Unit of the Concordia Parish Police Jury)  
MANAGEMENT DISCUSSION & ANALYSIS (MD&A)  
YEAR ENDED DECEMBER 31, 2010

The remaining balance of the net assets (\$86,361 or 28%) may be used to pay current operating expenses.

The District has long-term debt of \$158,331 which was used to finance additions to firefighting equipment. More information concerning this debt may be found on pages 15-16 of the notes to the financial statements. Total liabilities of \$161,998 are equal to 34% of the total assets of the District.

The following is a summary of the statement of activities for 2010 and 2009:

	<u>2010</u>	<u>2009</u>
<b>General Revenues</b>		
Taxes - ad valorem	\$ 72,313	\$ 93,787
Federal grants	25,603	217,740
Interest income	99	89
Other revenue	<u>18,537</u>	<u>20,117</u>
<b>Total General Revenues</b>	<u>116,552</u>	<u>331,733</u>
<b>General Expenses</b>		
Governmental activities - public safety		
Personnel services	9,051	11,968
Operating expenses	78,442	96,802
Interest expense	<u>6,667</u>	<u>6,701</u>
<b>Total expenses</b>	<u>94,160</u>	<u>115,471</u>
Increase in net assets	22,392	216,262
Net assets, beginning of year	<u>290,284</u>	<u>74,022</u>
Net assets, end of year	<u>\$ 312,676</u>	<u>\$ 290,284</u>

**CAPITAL ASSETS AND DEBT**

As of December 31, 2010, the District had \$568,227 invested in capital assets net of accumulated depreciation of \$183,581. During the year expenditures of \$51,677 were made to acquire capital assets.

As of December 31, 2010, the District had outstanding long-term debt of \$158,331.

**MONTEREY FIRE PROTECTION DISTRICT NO. 1**  
**(A Component Unit of the Concordia Parish Police Jury)**  
**MANAGEMENT DISCUSSION & ANALYSIS (MD&A)**  
**YEAR ENDED DECEMBER 31, 2010**

During the year the District purchased the following capital assets.

Quick Attack Trailer	\$24,000
Cascade System	26,335
Signs	<u>1,342</u>
 Total	 <u>\$51,677</u>

**MANAGEMENT COMMENT**

The District is scheduled to be rerated in October, 2011 and hopes to lower the fire insurance rating due to the additional equipment that has been added over the past two years.

**REQUEST FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or request for additional information may be directed to Jim Graves, Secretary/Treasurer at (601) 304-5350.

**Section II**

**Affidavit**

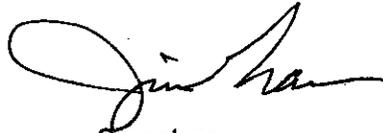
Monterey Fire Protection District No. 1  
Concordia Parish, Louisiana  
Monterey, Louisiana

ANNUAL SWORN FINANCIAL STATEMENTS

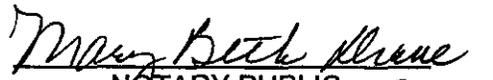
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AFFIDAVIT

Personally came and appeared before the undersigned authority, Jim Graves, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Monterey Fire Protection District No. 1 as of December 31, 2010, and the results of operations for the year ended, in accordance with the basis of accounting described within the accompanying financial statements.

  
Signature

Sworn to and subscribed before me, this 24th day of June, 2011.

  
NOTARY PUBLIC 30650

Officer: Secretary/Treasurer  
Address: P O Box 335  
Monterey, LA 71354  
Telephone Number: (601)304-5350

**Section III**  
**Basic Financial Statements**

Monterey Fire Protection District No. 1  
Monterey, Louisiana  
Statement of Net Assets  
December 31, 2010

**ASSETS**

Cash	\$ 15,687
Accounts receivable, taxes	74,341
Capital assets, net	<u>384,646</u>

Total Assets \$ 474,674

**LIABILITIES**

Accrued liabilities	\$ 3,667
Current portion – loans payable	62,174
Long-term portion – loans payable	<u>96,157</u>
Total Liabilities	<u>\$ 161,998</u>

**NET ASSETS**

Invested in capital assets, net of related debt	\$ 226,315
Unrestricted	<u>86,361</u>
Total Net Assets	<u>\$ 312,676</u>

See accountant's compilation report and notes to the financial statements.

Monterey Fire Protection District No. 1  
Monterey, Louisiana  
Statement of Activities  
Year ended December 31, 2010

**GENERAL REVENUES**

Taxes	
Ad valorem taxes	\$ 72,313
Federal grants	25,603
Interest income	99
Other revenue	<u>18,537</u>
 Total general revenues	 <u>\$ 116,552</u>

**GENERAL EXPENSES**

Governmental activities – public safety	
Personnel services	\$ 9,051
Operating services	78,442
Interest expense	<u>6,667</u>
 Total general expenses	 <u>\$ 94,160</u>
 Changes in net assets	 <u>\$ 22,392</u>
 Net assets – beginning of year	 <u>290,284</u>
 Net assets – end of year	 <u>\$ 312,676</u>

See accountant's compilation report and notes to the financial statements.

Monterey Fire Protection District No. 1  
Monterey, Louisiana  
Balance Sheet  
December 31, 2010

<b>ASSETS</b>	
Cash	\$ 15,687
Accounts receivable, taxes	<u>74,341</u>
Total assets	<u>\$ 90,028</u>
 <b>LIABILITIES AND FUND BALANCE</b>	
Accrued liabilities	<u>\$ 3,667</u>
Total liabilities	<u>\$ 3,667</u>
 Fund balance – unreserved	 <u>\$ 86,361</u>
Total fund balance	<u>\$ 86,361</u>
 Total liabilities and fund balance	 <u>\$ 90,028</u>

See accountant's report and notes to the financial statements.

**Monterey Fire Protection District No. 1**  
**Monterey, Louisiana**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**To the Statement of Net Assets**  
**December 31, 2010**

Fund balances, total governmental funds \$ 86,361

Amounts reported for governmental activities in the statement  
of net assets are different because:

Amounts reported for governmental activities are not financial  
resources and, therefore, are not reported in the funds. Those  
assets consist of:

Cost of capital assets	\$ 568,227	
Less accumulated depreciation	<u>183,581</u>	384,646

Long-term liabilities, including bonds payable, are not due and  
payable in the current period and, therefore, are not reported in  
the governmental funds.

Long-term liabilities	<u>(158,331)</u>
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Net assets of governmental activities	<u>\$ 312,676</u>
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See accountant's compilation report and notes to the financial statement.

**Monterey Fire Protection District No. 1**  
**Monterey, Louisiana**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Year ended December 31, 2010**

<b>REVENUES</b>	
Taxes	
Ad valorem taxes	\$ 72,313
Federal grants	25,603
Interest income	99
Other revenue	18,537
Note proceeds	<u>24,000</u>
 Total general revenues	 <u>\$ 140,552</u>
 <b>EXPENDITURES</b>	
Public safety – fire	
Personnel services	\$ 9,051
Operating services	<u>86,841</u>
 Total public safety – fire	 <u>\$ 95,892</u>
 Capital outlays	 <u>\$ 44,660</u>
 Debt service	
Principal retirement	\$ 38,087
Interest expense	<u>6,667</u>
 Total debt service	 <u>\$ 44,754</u>
 Total expenditures	 <u>\$ 89,414</u>
 Net change in fund balances (deficit)	 \$ (94)
 Fund balance, beginning of year	 <u>86,455</u>
Fund balance, end of year	<u>\$ 86,361</u>

See accountant's compilation report and notes to the financial statements.

**Monterey Fire Protection District No. 1**  
**Monterey, Louisiana**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance**  
**Year ended December 31, 2010**

Net changes in fund balance, total governmental funds \$ (94)

Amounts reported for governmental activities in the statement are different because:

Governmental funds report capital outlays as expenditures  
 Dotted assets are not recorded in governmental funds.  
 However, in the statement of activities, the cost of those assets  
 is allocated over their estimated useful lives and reported as  
 depreciation expense.

Capital outlay, which is considered expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance	51,677
Less current year depreciation	(43,278)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Thus, the change in net assets differs from the change in fund balances by the amount that additions to debt of \$24,000 is less than debt repayments of \$38,087	<u>14,087</u>
Change in net assets per statement of activities	<u>\$ 22,392</u>

See accountant's compilation report and notes to the financial statements.

# Monterey Fire Protection District No. 1

Monterey, Louisiana

Notes to the Financial Statements

December 31, 2010

## INTRODUCTION

1. The Concordia Parish Police Jury created the Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana by ordinance. The District operates in compliance with Part II, Title 40:1492-1502 of the Louisiana Revised Statutes.
2. The purpose of the District is to provide fire protection.
3. The District's boundaries are outside of the corporate limits of any municipality in Concordia parish and outside the Concordia Fire Protection District No. 1. Concordia Parish is located in East Central Louisiana.
4. A Board of Supervisors appointed by the Concordia Parish Police jury governs the District. The board consists of five members and is presently serving without compensation.
5. The District had no full-time employees.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Monterey Fire Protection District No. 1 of Concordia parish, Louisiana (hereafter referred to as the District).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include taxes, interest, and other items that are restricted to meeting the operational or capital requirements of a particular function or segment.

### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

## C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying general purpose financial statements have been prepared on the accrual basis (GAAP) of accounting.

### 1. Revenues

Ad valorem taxes 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, January, and February.

Interest income on investments is recorded when the investments have matured and the income is available.

Substantially all other revenues are recorded when received.

### 2. Expenditures

Purchase of equipment and supplies are recorded when the related fund liability is incurred.

The district reports the following governmental fund:

1. General Fund – the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in the other months.

## D. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

## E. Receivables

All tax receivables are shown net of allowance for doubtful accounts.

## F. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 years
Fire Equipment	10 years

#### G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

#### H. Budget practices

A proposed operating budget is planned to be prepared on the modified accrual basis of accounting, is approved by the Board of Commissioners, and is adopted in accordance with the Local Government Budget Law. The proposed operating budget is legally adopted and amended, as necessary, by the District. All appropriations lapse at year-end.

Formal budget integration is employed as a management control device. Budget amounts included in the accompanying financial statements include the original budget amounts and all subsequent amendments, if any.

During 2010, the District did not adopt a budget as planned.

#### NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2010, the District has cash and cash equivalents (book balances) totaling \$15,687. The cash was held in interest-bearing demand deposit accounts.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

#### NOTE 3 – RECEIVABLES

The receivables of \$74,341 at December 31, 2010, are as follows:

Ad valorem	\$74,341
Less allowance for doubtful accounts	<u>          -</u>
Total receivables	<u>\$74,341</u>

**NOTE 4 – CAPITAL ASSETS**

Capital assets and depreciation activities as of and for the year ended December 31, 2010, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Buildings	\$ 109,000	\$ -	\$ -	\$ 109,000
Equipment	<u>407,550</u>	<u>51,677</u>	<u>          -</u>	<u>459,227</u>
Total capital assets being depreciated	<u>\$ 516,550</u>	<u>\$ 51,677</u>	<u>\$          -</u>	<u>\$ 568,227</u>
Less accumulated depreciation for:				
Buildings	\$ (35,766)	\$ (3,633)	\$ -	\$ (39,399)
Equipment	<u>(104,537)</u>	<u>(39,645)</u>	<u>          -</u>	<u>(144,182)</u>
Total accumulated depreciation	<u>\$ (140,303)</u>	<u>\$ (43,278)</u>	<u>\$          -</u>	<u>\$ (183,581)</u>
Total capital assets	<u>\$ 376,247</u>	<u>\$ 8,399</u>	<u>\$          -</u>	<u>\$ 384,646</u>

Depreciation expense of \$43,278 for the year ended December 31, 2010, was charged to the public safety functions.

**NOTE 5 – LONG-TERM DEBT**

At December 31, 2010, long-term debt was comprised of the following:

Note payable due in annual installments of \$10,700, beginning December 5, 2007 through December 5, 2011, interest at 5.5%	\$ 21,368
Installment on principal on Certificate Number R-2, due in annual installments of \$4,000, beginning January 18, 2007 through January 18, 2012, interest at 0%	5,000
\$111,000 – 2007 certificates of indebtedness due in annual installments of \$10,000 to \$22,000 beginning March 1, 2008 through March 1, 2014, interest at 5%	76,000
Note payable due in annual installments of \$7,947 to \$5,747 beginning January 25, 2010 through January 25, 2014, interest at 5%	31,963
Note payable due in one annual installment of \$24,000 on February 26, 2011, interest at 5%	<u>24,000</u>
	<u>\$158,331</u>

The following is a summary of the long-term debt transactions for the year ended December 31, 2010:

Long-term debt, beginning of year	\$ 172,418
Debt issued during the year	24,000
Debt retired during the year	<u>(38,087)</u>
Balance at end of year	<u>\$158,331</u>

The maturity schedule for the debt is as follows:

2011	\$ 62,174
2012	37,938
2013	29,900
2014	<u>28,319</u>
Total	<u>\$158,331</u>

#### NOTE 6 – TAXES

The District is authorized to levy a maximum tax of 6.520 mills annually on property within the boundaries of the District for maintenance and operation of the District. The District levied 6.520 mills.

#### NOTE 7 – PENSION PLANS

The District has no employees that would require participation in a retirement system.

#### NOTE 8 – LITIGATION AND CLAIMS

The District is not involved in any litigation at December 31, 2010, nor is aware of any unasserted claims.