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DISTRICT SIX FIRE PROTECTION DISTRICT

PARISH OF EAST BATON ROUGE

BATON ROUGE, LOUISIANA

FINANCIAL STATEMENTS

FOR

THE YEAR ENDED DECEMBER 31, 1999

**A COMPONENT UNIT OF THE
CONSOLIDATED GOVERNMENT OF THE CITY OF BATON ROUGE,
PARISH OF EAST BATON ROUGE**

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 MAR 08 2000

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE**

**FINANCIAL STATEMENTS
DECEMBER 31, 1999
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INDEPENDENT AUDITOR'S REPORT

Mr. Chris Medine, Chairman
and Members of the Board of Commissioners
District Six Fire Protection District
7878 Prescott Road
Baton Rouge, Louisiana 70812

I have audited the accompanying general purpose financial statements and the combining, individual fund, and account group financial statements of District Six Fire Protection District (the "District"), a component unit of the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, as of and for the year ended December 31, 1999. These component unit financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of District Six Fire Protection District, as of December 31, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Also, in my opinion, the combining, individual fund, and account group financial statements, present fairly, in all material respects, the financial position of each of the individual funds and individual account groups of the District at December 31, 1999, and the results of operations of such individual funds for the year then ended in conformity with generally accepted accounting principles.


Baton Rouge, Louisiana
January 28, 2000

ROY HEBERT
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Mr. Chris Medine, Chairman
and Members of the Board of Commissioners
District Six Fire Protection District
7878 Prescott Road
Baton Rouge, Louisiana 70812

I have audited the general purpose financial statements of District Six Fire Protection District as of and for the year ended December 31, 1999, and have issued my report thereon dated January 28, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether District Six Fire Protection District's component unit financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered District Six Fire Protection District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the component unit financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the component unit financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the management of District Six Fire Protection District, the consolidated government of the City of Baton Rouge and Parish of East Baton Rouge, and the

Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to be 'Blair', with a horizontal line extending to the right.

Baton Rouge, Louisiana
January 28, 2000

EXHIBIT A
DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
COMBINED BALANCE SHEET
GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

	Governmental General Fund	Fund Types Special Revenue Fund	Account General Fixed Assets	Groups General Long- Term Debt	Totals (Memo Only)
ASSETS AND OTHER DEBITS					
Current assets:					
Cash	\$ 91,355	\$ 623	\$ -	\$ -	\$ 91,978
Certificates of deposit	116,834	20,626	-	-	137,460
Ad valorem taxes receivable	149,041	-	-	-	149,041
Fire protection service charges receivable	25,159	-	-	-	25,159
Due from other governmental units	283,265	-	-	-	283,265
Fixed assets:					
Land	-	-	43,000	-	43,000
Buildings	-	-	456,930	-	456,930
Equipment	-	-	387,316	-	387,316
Equipment under capital lease	-	-	278,011	-	278,011
Other debits:					
Amount to be provided for retirement of long-term debt	-	-	-	304,262	304,262
TOTAL ASSETS	\$ 665,654	\$ 21,249	\$ 1,165,257	\$ 304,262	\$ 2,156,422
LIABILITIES AND FUND EQUITY					
Current liabilities:					
Accounts payable	15,071	495	-	-	15,566
Payroll withholdings and accruals	4,895	122	-	-	5,017
Long-term liabilities:					
Compensated absences payable	-	-	-	6,035	6,035
Obligation under capital lease	-	-	-	148,320	148,320
Bonds payable	-	-	-	136,000	136,000
Net pension obligation	-	-	-	13,907	13,907
Total liabilities	19,966	617	-	304,262	324,845
Fund Equity:					
Investment in General Fixed Assets	-	-	1,165,257	-	1,165,257
Fund balance-unreserved and undesignated	645,688	20,632	-	-	666,320
Total fund equity	645,688	20,632	1,165,257	-	1,831,577
TOTAL LIABILITIES AND FUND EQUITY	\$ 665,654	\$ 21,249	\$ 1,165,257	\$ 304,262	\$ 2,156,422

EXHIBIT B
DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	General Fund	Special Revenue Fund	Totals (Memo Only)
REVENUES			
Taxes			
Ad valorem taxes	\$ 378,676	\$ -	\$ 378,676
Fire protection service charges	147,528	-	147,528
Total taxes	526,204	-	526,204
Intergovernmental revenues			
State fire insurance rebate	29,470	-	29,470
State revenue sharing	71,445	-	71,445
East Baton Rouge Parish	75,000	62,500	137,500
Total intergovernmental revenues	175,915	62,500	238,415
Miscellaneous revenue			
Interest earned	14,375	999	15,374
Miscellaneous revenue	34,553	2,545	37,098
Total miscellaneous revenue	48,928	3,544	52,472
Total revenues	751,047	66,044	817,091
EXPENDITURES:			
Current operations:			
General government			
Accounting fees	4,733	-	4,733
Legal fees	8,780	5,592	14,372
Total general government	13,513	5,592	19,105
Public safety			
Advertising	3,128	-	3,128
Dues	125	-	125
Employee benefits	107,558	-	107,558
Fee billing	16,745	-	16,745
Food	2,078	-	2,078
Insurance	10,780	2,153	12,933
Maintenance and repair	27,637	-	27,637
Medical program	2,030	-	2,030
Miscellaneous	132	20	152
Pest control	30	-	30

The accompanying notes are an integral part of this statement.

EXHIBIT B(CONTINUED)
DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	General Fund	Special Revenue Fund	Totals (Memo Only)
Postage	766	-	766
Rent	6,930	-	6,930
Retirement costs-other	10,893	-	10,893
Salaries	367,709	-	367,709
Supplies	23,322	5,447	28,769
Telephone	6,898	1,399	8,297
Training	9,069	310	9,379
Utilities	10,503	-	10,503
Vehicle expense	-	6,756	6,756
Total public safety	606,333	16,085	622,418
Capital outlay			
Facilities	184,636	-	184,636
Fire fighting equipment	28,146	-	28,146
Total capital outlay	212,782	-	212,782
Debt service:			
Principal retirement	54,410	-	54,410
Interest expense	16,862	-	16,862
Total debt service	71,272	-	71,272
Total expenditures	903,900	21,677	925,577
Other financing sources			
Operating transfers in	43,645	-	43,645
Total other financing sources	43,645	-	43,645
Other financing uses			
Operating transfers out	-	43,645	43,645
Total other financing uses	-	43,645	43,645
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(109,208)	722	(108,486)
Fund balance at beginning of year	754,896	19,910	774,806
Fund balance at end of year	\$ 645,688	\$ 20,632	\$ 666,320

The accompanying notes are an integral part of this statement.
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EXHIBIT B
DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual (Budgetary Basis)	<u>General Fund</u> Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Ad valorem taxes	\$ 375,000	\$ 378,676	\$ 3,676
Fire protection service charges	130,000	147,528	17,528
Total taxes	<u>505,000</u>	<u>526,204</u>	<u>21,204</u>
Intergovernmental revenues			
State fire insurance rebate	27,150	29,470	2,320
State revenue sharing	70,000	71,445	1,445
East Baton Rouge Parish	75,000	75,000	-
Total intergovernmental revenues	<u>172,150</u>	<u>175,915</u>	<u>3,765</u>
Miscellaneous revenue			
Interest earned	5,000	14,375	9,375
Miscellaneous revenue	3,000	34,553	31,553
Total miscellaneous revenue	<u>8,000</u>	<u>48,928</u>	<u>40,928</u>
Total revenues	<u>685,150</u>	<u>751,047</u>	<u>65,897</u>
EXPENDITURES:			
Current operations:			
General government			
Accounting fees	4,500	4,733	(233)
Legal fees	7,000	8,780	(1,780)
Total general government	<u>11,500</u>	<u>13,513</u>	<u>(2,013)</u>
Public safety			
Advertising	750	3,128	(2,378)
Dues	700	125	575
Employee benefits	128,244	107,558	20,686
Fee billing	17,000	16,745	255
Food	1,200	2,078	(878)
Insurance	12,000	10,780	1,220
Maintenance and repair	20,500	27,637	(7,137)
Medical program	2,500	2,030	470
Miscellaneous	-	132	(132)
Pest control	60	30	30

The accompanying notes are an integral part of this statement.

EXHIBIT B(CONTINUED)
DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
Postage	900	766	134
Rent	6,900	6,930	(30)
Retirement costs-other	-	10,893	(10,893)
Salaries	371,365	367,709	3,656
Supplies	20,500	23,322	(2,822)
Telephone	6,500	6,898	(398)
Training	5,000	9,069	(4,069)
Utilities	11,300	10,503	797
Vehicle expense	-	-	-
Total public safety	605,419	606,333	(914)
Capital outlay			
Facilities	181,000	184,636	(3,636)
Fire fighting equipment	9,620	28,146	(18,526)
Total capital outlay	190,620	212,782	(22,162)
Debt service:			
Principal retirement	69,690	54,410	15,280
Interest expense	-	16,862	(16,862)
Total debt service	69,690	71,272	(1,582)
Total expenditures	877,229	903,900	(26,671)
Other financing sources			
Operating transfers in	43,645	43,645	-
Total other financing sources	43,645	43,645	-
Other financing uses			
Operating transfers out	-	-	-
Total other financing uses	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(148,434)	(109,208)	39,226
Fund balance at beginning of year	754,896	754,896	-
Fund balance at end of year	\$ 606,462	\$ 645,688	\$ 39,226

The accompanying notes are an integral part of this statement.
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EXHIBIT B
DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Special Revenue Fund</u>		
	Revised Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Ad valorem taxes	\$ -	\$ -	\$ -
Fire protection service charges	-	-	-
Total taxes	-	-	-
Intergovernmental revenues			
State fire insurance rebate	-	-	-
State revenue sharing	-	-	-
East Baton Rouge Parish	62,500	62,500	-
Total intergovernmental revenues	62,500	62,500	-
Miscellaneous revenue			
Interest earned	-	999	999
Miscellaneous revenue	-	2,545	2,545
Total miscellaneous revenue	-	3,544	3,544
Total revenues	62,500	66,044	3,544
EXPENDITURES:			
Current operations:			
General government			
Accounting fees	-	-	-
Legal fees	-	5,592	(5,592)
Total general government	-	5,592	(5,592)
Public safety			
Advertising	-	-	-
Dues	-	-	-
Employee benefits	-	-	-
Fee billing	-	-	-
Food	-	-	-
Insurance	3,500	2,153	1,347
Maintenance and repair	300	-	300
Medical program	-	-	-
Miscellaneous	200	20	180
Pest control	-	-	-

The accompanying notes are an integral part of this statement.
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EXHIBIT B(CONTINUED)
DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
Postage	-	-	-
Rent	-	-	-
Retirement costs-other	-	-	-
Salaries	-	-	-
Supplies	2,200	5,447	(3,247)
Telephone	2,500	1,399	1,101
Training	1,000	310	690
Utilities	-	-	-
Vehicle expense	6,000	6,756	(756)
Total public safety	15,700	16,085	(385)
Capital outlay			
Facilities	-	-	-
Fire fighting equipment	3,155	-	3,155
Total capital outlay	3,155	-	3,155
Debt service:			
Principal retirement	-	-	-
Interest expense	-	-	-
Total debt service	-	-	-
Total expenditures	18,855	21,677	2,822
Other financing sources			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Other financing uses			
Operating transfers out	43,645	43,645	-
Total other financing uses	43,645	43,645	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	722	722
Fund balance at beginning of year	19,910	19,910	-
Fund balance at end of year	\$ 19,910	\$ 20,632	\$ 722

The accompanying notes are an integral part of this statement.
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EXHIBIT B
DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Totals (Memo Only)</u>		
	Revised Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Ad valorem taxes	\$ 375,000	\$ 378,676	\$ 3,676
Fire protection service charges	130,000	147,528	17,528
Total taxes	<u>505,000</u>	<u>526,204</u>	<u>21,204</u>
Intergovernmental revenues			
State fire insurance rebate	27,150	29,470	2,320
State revenue sharing	70,000	71,445	1,445
East Baton Rouge Parish	137,500	137,500	-
Total intergovernmental revenues	<u>234,650</u>	<u>238,415</u>	<u>3,765</u>
Miscellaneous revenue			
Interest earned	5,000	15,374	10,374
Miscellaneous revenue	3,000	37,098	34,098
Total miscellaneous revenue	<u>8,000</u>	<u>52,472</u>	<u>44,472</u>
Total revenues	<u>747,650</u>	<u>817,091</u>	<u>69,441</u>
EXPENDITURES:			
Current operations:			
General government			
Accounting fees	4,500	4,733	(233)
Legal fees	7,000	14,372	(7,372)
Total general government	<u>11,500</u>	<u>19,105</u>	<u>(7,605)</u>
Public safety			
Advertising	750	3,128	(2,378)
Dues	700	125	575
Employee benefits	128,244	107,558	20,686
Fee billing	17,000	16,745	255
Food	1,200	2,078	(878)
Insurance	15,500	12,933	2,567
Maintenance and repair	20,800	27,637	(6,837)
Medical program	2,500	2,030	470
Miscellaneous	200	152	48
Pest control	60	30	30

The accompanying notes are an integral part of this statement.

EXHIBIT B (CONTINUED)
DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
Postage	900	766	134
Rent	6,900	6,930	(30)
Retirement costs-other	-	10,893	(10,893)
Salaries	371,365	367,709	3,656
Supplies	22,700	28,769	(6,069)
Telephone	9,000	8,297	703
Training	6,000	9,379	(3,379)
Utilities	11,300	10,503	797
Vehicle expense	6,000	6,756	(756)
Total public safety	621,119	622,418	(1,299)
Capital outlay			
Facilities	181,000	184,636	(3,636)
Fire fighting equipment	12,775	28,146	(15,371)
Total capital outlay	193,775	212,782	(19,007)
Debt service:			
Principal retirement	69,690	54,410	15,280
Interest expense	-	16,862	(16,862)
Total debt service	69,690	71,272	(1,582)
Total expenditures	896,084	925,577	(29,493)
Other financing sources			
Operating transfers in	43,645	43,645	-
Total other financing sources	43,645	43,645	-
Other financing uses			
Operating transfers out	43,645	43,645	-
Total other financing uses	43,645	43,645	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(148,434)	(108,486)	39,948
Fund balance at beginning of year	774,806	774,806	-
Fund balance at end of year	\$ 626,372	\$ 666,320	\$ 39,948

The accompanying notes are an integral part of this statement.
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**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of the District Six Fire Protection 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 establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

District Six Fire Protection District was created in the Parish of East Baton Rouge by Parish Resolution 12992, adopted December 22, 1976. Pursuant to the authority granted under Article VI, Sections 15 and 19 of the Louisiana Constitution of 1974, and pursuant to LRS 33:1415 and 40:1491-1506, the Metropolitan Council of the City of Baton Rouge and Parish of East Baton Rouge created and established the Board of Commissioners ("Board") for District 6 Fire Protection District. The Board is composed of five members appointed by the Metropolitan Council and must be resident property taxpayers of the District. The District provides fire protection services to all of the territory situated within its confines.

For financial reporting purposes, in conformance with GASB Codification of Governmental Accounting and *Financial Reporting Standards*, the District includes all funds and account groups that are controlled by the District.

GASB Statement No. 14, the Financial Reporting Entity, established criteria for determining which component units should be considered part of a larger governmental reporting entity for financial and reporting purposes. The basic criteria are as follows:

- (1) Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell, and lease property in its own name.
- (2) Whether the larger governmental reporting entity appoints a majority of commission members of the potential component unit.
- (3) Fiscal interdependency between the larger governmental reporting entity and the potential component unit.
- (4) Imposition of will by the larger governmental reporting entity on the potential component unit.
- (5) Financial benefit/burden relationship between the larger governmental reporting entity and the potential component unit.

Based on this criteria, the District's management has concluded that it is a component unit of the Consolidated Governmental of the City of Baton Rouge, Parish of East Baton Rouge.

C. FUND ACCOUNTING

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)**

The accounts of the District are organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund presented in the financial statements is described as follows:

Governmental Funds:

General Fund

The General Fund is the principal fund of the District and is used to account for the operations of the District. *General tax revenues and other sources of revenue used to finance the fundamental operations of the District* are accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than capital outlay) that are legally restricted to expenditures for specified purposes.

D. GENERAL FIXED ASSETS AND GENERAL LONG-TERM DEBT

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets account group, rather than the General Fund. Fixed assets are valued at historical cost and no depreciation has been provided on general fixed assets.

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Debt account group, not in the General Fund.

The two account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

E. 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.

The governmental fund is accounted for using the modified accrual basis of accounting. The revenues are recognized when they become measurable and available as net current assets. Property taxes and fire protection service charges are considered measurable in the calendar year of the tax levy and service charge billing. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgements, and compensated absences are recorded as expenditures when paid with expendable available

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)**

financial resources.

F. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenditures during the reporting period. Actual results could differ from these estimates.

G. BUDGETS AND BUDGETARY ACCOUNTING

A proposed operating budget for the General Fund, prepared on GAAP basis, is approved by the Board of Commissioners and adopted in accordance with the Local Government Budget Law. The operating budget includes proposed expenditures and the means of financing them. All annual appropriations lapse at the end of each fiscal year.

H. CASH AND INVESTMENTS

Cash and investments, which include interest-bearing demand deposit accounts and certificates of deposit, are stated at cost, which approximates market.

I. COMPENSATED ABSENCES

The District has the following policies related to annual and sick leave:

Annual leave is determined by the number of years of service and accrues each pay period. Accrued annual may be carried over from year to year based on the employees years of service. Employees who have from 1-10 years of service will be allowed to accrue no more than 25% of vacation time to which they are eligible at the end of each calendar year. Employees with 10 years or more of service will be allowed to accrue 33% of vacation time to which they are eligible at the end of each calendar year. Employees will be paid for all accrued vacation time when they are no longer employed by the District.

Sick leave is determined by the number of years of service and accrues each pay period. Accrued sick leave is carried over from year to year. The accumulated sick leave can only be used while in the employee of the District. Employees who leave the service of the District, except for retirement, will not be paid for any such accumulated sick leave.

At December 31, 1999, employees of the District had accumulated and vested \$6,035 annual leave and sick leave benefits, which was computed in accordance with GASB Statement No. 16 and is recorded within the general long-term debt account group.

J. TOTALS COLUMNS ON THE COMBINED STATEMENTS

The total column on the combined balance sheet is captioned Memo Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

K. ENCUMBRANCES

Encumbrance accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of that appropriation, is not employed by the District.

NOTE 2-CASH

Under state law, the District may deposit funds with 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. Further, the District may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

State statutes require that these deposits be insured by Federal depository insurance or collateralized by securities held in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 1999, the status of deposited funds and collateralized balances are as follows:

Balance per bank statements	\$216,672
Secured by Federal depository insurance	100,000
Market value of collateralized securities	<u>425,486</u>
Balance unsecured and uncollateralized	<u>\$-0-</u>

NOTE 3-PROPERTY TAXES

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission. The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

The Sheriff of East Baton Rouge Parish, as provided by LRS 33:1435, is the official tax collector of general property taxes levied by the Parish and Parish Special Districts. By agreement, the Sheriff is also the tax collector for City property taxes for which he receives a commission of 4.5% of total taxes collected for the City. December tax collections remitted to the District by the Sheriff in January are reported as "Due from other governmental units."

The 1999 property tax calendar is as follows:

Levy date	December 9, 1999
Millage rates adopted	December 9, 1999
Tax bills mailed	December 1, 1999
Due date	December 31, 1999
Lien date	January 1, 2000

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)**

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed. Therefore, there are no delinquent taxes at year-end.

All property taxes are recorded in governmental funds, and as explained in Note 1(E), revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the entire tax roll less an estimate for uncollectible taxes is recorded as revenue in the current calendar year. Uncollectible taxes are those taxes which, based on past experience, will not be collected in the subsequent year and are primarily due to subsequent adjustments of the tax rolls. All of the net taxes receivable at the end of the year are considered available. Available means due, or past due and receivable within the current period, and collected within the current period or expect to be collected soon enough thereafter to pay liabilities of the current period. Property taxes are considered available because they are substantially collected within 60 days subsequent to year end or they are completely available for short-term debt and short-term advances from the tax collector due to time lags between collections and the remittance to the District.

NOTE 4-FIRE PROTECTION SERVICE CHARGES

The District is empowered to assess a service of \$32 for each residential and commercial structure in the District. On July 1, 1994, the Board of Commissioners of the District voted to raise the service fee charged by the District from \$16 per structure to \$32 per structure effective July 1, 1994.

The Board, on that same day, adopted the following service fee calendar for subsequent years:

Initial bills to be sent	July 1
Second bills to be sent	August 15
Certified letter sent to property owner	October 1
Lien date	December 1
File law suit	June 1

The Board has also adopted policies regarding the collection of costs associated with the collection of delinquent service fees. At present, the Board has decided to charge an additional \$20 for each person and structure against which a lien and privilege is imposed in the collection process.

The service fees are recorded in the governmental fund, and as explained in Note 1(E), revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Service fees are considered measurable in the calendar year of the assessment. Accordingly, the entire assessment less an estimate for uncollectible service fees is recorded as revenue in the current calendar year. All of the net service fees receivable at the end of the year are considered available. Available means due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period.

NOTE 5-RECEIVABLES

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Property taxes and fire protection service charges receivable and estimated uncollectible amounts for the District are as follows:

	Property Taxes	Fire Protection Service Charges
Amounts receivable	\$163,363	\$64,788
Estimated uncollectibles	<u>-14,322</u>	<u>-39,629</u>
	<u>\$149,041</u>	<u>\$25,159</u>

NOTE 6-DUE FROM OTHER GOVERNMENTAL UNITS

The amounts due from other governmental units are as follows:

East Baton Rouge Parish Sheriff	\$235,635
Louisiana State Revenue Sharing	<u>47,630</u>
	<u>\$283,265</u>

NOTE 7-CHANGES IN GENERAL FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance Beginning of Year	Additions	Adjustments and Deletions	Balance End of Year
Land	\$43,000			\$43,000
Buildings	270,294	184,636		456,930
Equipment	498,363	28,126	139,173	387,316
Equipment under capital lease	<u>278,011</u>			<u>278,011</u>
	<u>\$1,091,668</u>	<u>\$212,762</u>	<u>\$139,173</u>	<u>\$1,165,257</u>

NOTE 8-PENSION PLANS

Plan Description. District Six Fireprotection District contributes to either the Employees' Retirement System of the City of Baton Rouge, Parish of East Baton Rouge, or the Firefighters' Retirement System. Both plans are cost-sharing, multiple-employer defined-benefit pension plans. The plans are each administered by a board of trustees. The plans provide retirement benefits, disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The City of Baton Rouge and Parish of East Baton Rouge Plan of Government and Louisiana Revised Statutes 11:2251 et seq. grant the respective board of trustees the authority to establish and amend benefit provisions of the plans.

The retirement systems issue publicly available financial reports that include financial statements and required supplementary information for the plans. Those reports may be obtained from:

Retirement Administrator
Employees' Retirement System
City of Baton Rouge, Parish of East Baton Rouge

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

P.O. Box 1471
Baton Rouge, Louisiana 70821-1471

or
Firefighters' Retirement System
P.O. Box 94095, Capital Station
Baton Rouge, Louisiana 70804-9095

Funding Policy. Plan members are required to contribute 9.5% or 8% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rates are 16.1% and 9% of annual covered payroll. The preceding rates are for both plans with first rates being applicable to the Employees' Retirement System of the City of Baton Rouge, and the second rates being applicable to the Firefighters' Retirement System. The District's contributions to the plans for the years ending December 31, 1999, 1998, and 1997 were \$58,800, \$49,045 and \$30,326, respectively, and equaled the required contributions for each year.

NOTE 9-LEASES AND BONDS

The District records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases:

	Type	Amount Recorded	
Equipment			\$278,011

The following is a schedule of future minimum lease payments under the capital lease, together with the present value of the net minimum lease payments, as of December 31, 1998:

Fiscal Year	Lease	Bond	Total
2000	\$29,690	\$38,995	\$68,685
2001	29,690	38,995	68,685
2002	29,690	38,995	68,685
2003	29,690	38,995	68,685
2004	29,690		29,690
2005	29,690		29,690
Less amount representing interest	<u>-29,820</u>	<u>-19,980</u>	<u>-49,800</u>
Outstanding principal	<u>\$148,320</u>	<u>\$136,000</u>	<u>\$284,320</u>

NOTE 10-LONG-TERM DEBT

A summary of the general long-term obligation of the District is as follows:

Balance Beginning of Year	Additions	Deletions	Balance End of Year
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**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Capital lease	\$168,730	\$20,410	\$148,320
General obligation bonds	170,000	34,000	136,000
Compensated absences	6,052	17	6,035
Net pension obligation	<u>20,015</u>	<u>6,108</u>	<u>13,907</u>
	<u>\$364,797</u>	<u>\$60,535</u>	<u>\$304,262</u>

NOTE 11-POSTEMPLOYMENT BENEFITS

District employees are eligible to continue participation in the City of Baton Rouge and Parish of East Baton Rouge health, dental, and life insurance programs upon retirement.

Employees are offered their choice of two health maintenance organizations or an indemnity plan for health benefits. Employees may also participate in the indemnity plan for dental benefits. Upon retirement, the employee may continue their coverage with the same benefits payable to active employees. The minimum premium plan is funded with employees and retirees contributing 38% of the premium and the District contributing 62% of the premium. Retirees may continue coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972.

The District does not have any retirees as of December 31, 1999, and therefore, has no estimated expenditures/expenses for postretirement health and dental benefits.

In accordance with City Resolution 5942 and Parish Resolution 12478 adopted by the respective councils on April 14, 1976, all District employees who retire after May 1, 1976, have \$3,000 of term life insurance coverage. As noted above, the District has no retirees and, therefore, no coverage was in effect.

The cost of this insurance is paid by the District through an actuarially determined monthly assessment of 70 cents per active employee.

NOTE 12-DEFERRED COMPENSATION PLAN

The District participates in The National Association of Counties (NACO) Deferred Compensation Program, which is a cost-sharing multiple-employer public employee deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future periods. Participation in the plan is optional. The deferred compensation is not available to employees until termination, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts are (until paid or made available to the employee or other beneficiary) solely the property and right of the District, subject only to the claims of the District's general creditors. Participant's rights under the plan are equal to those of general creditors of the District in amounts equal to the fair market value of their deferred accounts.

It is the opinion of the State's Attorney General that the District has no liability for losses under the plan but

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)**

does have the duty of due care that would be required of an ordinary investor. The District believes that it is unlikely that it will use the assets to satisfy the claims of the general creditors in the future.

Investments are managed by the plan's trustee, who provides certain options. The choice of investment options is made by the participants.

NOTE 13-COMPENSATION PAID TO COMMISSION MEMBERS

The following is a list of commission members appointed for the year ended December 31, 1999. The commission members did not receive any compensation for their service on the board of District Six Fire Protection District during the year ended December 31, 1999.

Chris Medine, chairman
Harold Christopher, vice-chairman
Reginald Higgins, commissioner
Rusty Jones, commissioner
Donald Yelverton, commissioner

SUPPLEMENTAL INFORMATION

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 1999**

Finding 1: The segregation of duties is inadequate to provide effective internal control..

Fiscal year finding initially reported: December 31, 1994

Corrective action taken:

This limitation is the direct result of economic limitations on administrative positions within the District. The District's management feels that other controls are in place to provide adequate safeguarding of assets.

The contact personnel are the Fire Chief, H.R. "Butch" Browning, and Chris Medine, Chairman of the Board of Commissioners.