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FIRE PROTECTION DISTRICT NO. 9

OF CADDO PARISH

DIXIE GARDENS, LOUISIANA

DECEMBER 31, 2001

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 7-24-02

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

DIXIE GARDENS, LOUISIANA

TABLE OF CONTENTS

DECEMBER 31, 2001

COMPILED FINANCIAL STATEMENTS

	Page
Accountants' Report	1
Component Unit Financial Statements:	
All Fund Types and Account Groups:	
Balance Sheet at December 31, 2001	2
Governmental Fund:	
For the Year Ended December 31, 2001:	
Statement of Revenues, Expenditures, and Changes in Fund Balance	3
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget (Cash Basis) and Actual (Cash Basis)	4
Notes to the Financial Statements	5-8

COMPILED FINANCIAL STATEMENTS

HEARD
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& VESTAL
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June 12, 2002

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

We have compiled the accompanying component unit financial statements of Fire Protection District No. 9 of Caddo Parish, a component unit of the Caddo Parish Commission, as of and for the year ended December 31, 2001, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of component unit financial statements information that is the representation of the District. We have not audited or reviewed the accompanying component unit financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Heard, McElroy + Vestal, LLP

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

ALL FUND TYPES AND ACCOUNT GROUPS

BALANCE SHEET AT DECEMBER 31, 2001

	Governmental Fund	Account Groups		
	General Fund	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
ASSETS AND OTHER DEBITS				
Cash-Note 3	12,704	-	-	12,704
Certificates of deposit-Note 3	16,759	-	-	16,759
Receivables:				
Ad valorem taxes	52,655	-	-	52,655
State revenue sharing	398	-	-	398
Interest	297	-	-	297
Deposits	250	-	-	250
Other debits:				
Buildings-Note 4	-	35,243	-	35,243
Equipment-Note 4	-	21,854	-	21,854
Autos-Note 4	-	2,750	-	2,750
Fire trucks-Note 4	-	289,725	-	289,725
Amount to be provided for payment of certificates of indebtedness	-	-	102,000	102,000
Total assets and other debits	83,063	349,572	102,000	534,635
LIABILITIES AND FUND EQUITY				
Liabilities:				
Certificates of indebtedness-Note 6	-	-	102,000	102,000
Fund equity:				
Fund balance-unreserved and undesignated	83,063	-	-	83,063
Investment in general fixed assets	-	349,572	-	349,572
Total fund equity	83,063	349,572	-	432,635
Total liabilities and fund equity	83,063	349,572	102,000	534,635

See accompanying notes and accountants' compilation report.

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2001

	General Fund
Revenues:	
Ad valorem taxes-Note 2	67,492
Interest	1,488
Intergovernmental revenues-state funds:	
State revenue sharing	1,194
Fire insurance premium rebate	2,081
Total revenues	72,255
Expenditures:	
Public safety-fire protection:	
Dues	50
Utilities	1,260
Insurance	7,560
Operating supplies	1,756
Capital outlay-Note 4	44,273
Repairs and maintenance	854
Medical supplies	876
Sheriff's commissions	2,211
Communications and telephone	664
Vehicle operations	511
Accounting fees	1,300
Training and education	2,768
Firefighting supplies	1,001
Contract services	1,500
Principal payments on debt	8,000
Interest payments on debt	5,219
Miscellaneous	1,145
Total expenditures	80,948
Excess (deficiency) of revenues over expenditures	(8,693)
Fund balance at beginning of year	91,756
Fund balance at end of year	83,063

See accompanying notes and accountants' compilation report.

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

GOVERNMENTAL FUND

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

BUDGET (CASH BASIS) AND ACTUAL (CASH BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2001

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Ad valorem taxes	53,700	59,194	5,494
Interest	-	1,191	1,191
Intergovernmental revenues-state funds:			
State revenue sharing	1,000	1,098	98
Fire insurance premium rebate	2,000	2,081	81
Total revenues	56,700	63,564	6,864
Expenditures:			
Public safety-fire protection:			
Insurance	8,910	7,559	1,351
Legal services	2,500	-	2,500
Utilities	1,800	1,260	540
Dues	150	50	100
Accounting fees	1,300	1,300	-
Training and education	2,000	2,767	(767)
Medical supplies	2,000	876	1,124
Vehicle operations	450	511	(61)
Operating supplies	2,100	1,756	344
Communications and telephone	1,650	664	986
Capital outlay	49,981	44,274	5,707
Repairs and maintenance	1,500	854	646
Firefighting supplies	9,000	1,001	7,999
Miscellaneous	1,000	1,145	(145)
Contract services	1,500	1,500	-
Principal and interest payment on debt	13,219	13,219	-
Total expenditures	99,060	78,736	20,324
Excess (deficiency) of revenues over expenditures	(42,360)	(15,172)	27,188
Fund balance at beginning of year	42,360	47,464	5,104
Fund balance at end of year	-	32,292	32,292

See accompanying notes and accountants' compilation report.

FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2001

INTRODUCTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of Fire Protection District No. 9 of Caddo Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Caddo Parish Commission for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and

   a. The ability of the commission to impose its will on that organization and/or
   b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the commission.

2. Organizations for which the commission does not appoint a voting majority but are fiscally dependent on the commission.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. FUND ACCOUNTING

The district uses a fund and an account group (general fixed assets) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The general fund of the district is classified as a governmental fund. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. All financial resources are accounted for in the general fund.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of this fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

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

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

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

Other Financing Sources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. BUDGETS

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

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

Excess (deficiency) of revenues over expenditures (budget basis)	(15,172)
Adjustments:	
Property tax accruals, net	6,087
Revenue sharing accruals and other	392
Excess (deficiency) of revenues over expenditures (GAAP basis)	(8,693)

F. CASH AND CERTIFICATES OF DEPOSIT

Cash includes amounts in demand deposits and interest bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. FIXED ASSETS

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

H. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes and parcel fees for 2001:

	Authorized	Levied
Maintenance and operation tax (millage)	10.00	10.00
Parcel fee (per parcel of property)	$75.00	$75.00

3. CASH

At December 31, 2001, the district has cash (book balances) in demand deposits and certificates of deposit that total $29,463. These deposits are stated at cost, which approximates market value. All of the deposits are secured by federal deposit insurance.

4. CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Autos	2,750	-	-	2,750
Buildings	35,243	-	-	35,243
Equipment	21,854	-	-	21,854
Fire trucks	245,452	44,273	-	289,725
Total	305,299	44,273	-	349,572

5. LITIGATION AND CLAIMS

At December 31, 2001, the district is not involved in any litigation or aware of any claims.

6. CERTIFICATES OF INDEBTEDNESS

The district borrowed $110,000 during 2000 to help fund the purchase of an additional fire truck. The borrowing consists of the issuance of Limited Tax Certificates of Indebtedness, $90,000 of which were purchased by Sabine State Bank & Trust, and $20,000 of which were purchased by the Louisiana Public Facilities Authority. The certificates are secured by the pledge of the proceeds of the district's property tax receipts through 2009. The certificates held by Sabine State Bank bear an interest rate of from 1.00% to 6.60%; the certificates held by Louisiana Public Facilities Authority bear no interest.

Future required principal payments on these certificates follow:

	Sabine State Bank & Trust	Louisiana Public Facilities Authority	Total
2002	6,000	4,000	10,000
2003	6,000	4,000	10,000
2004	6,000	4,000	10,000
2005	6,000	4,000	10,000
2006	11,000	-	11,000
2007	12,000	-	12,000
2008	12,000	-	12,000
2009	13,000	-	13,000
2010	14,000	-	14,000
	86,000	16,000	102,000

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June 12, 2002

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

Independent Accountant's Report
on Applying Agreed-Upon Procedures

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Fire Protection District No. 9 of Caddo Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2001 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding $15,000, or public works exceeding $100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

   One expenditure was made during the year for procurement that exceeded $15,000. We examined documentation which indicated that this expenditure had been properly advertised and accepted in accordance with the public bid law. No expenditures were made for public works.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

   The District is a volunteer fire department and has no employees; consequently, no family members of the District's governing authority are employees.

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

   The District is a volunteer fire department and has no employees; consequently, no family members of the District's governing authority are employees.

4. Determine whether any of those employees included in the listing obtain from management in agreed-upon procedure (3) were also included on the listing obtain from management in agreed-upon procedure (2) as immediate family members.

   The District is a volunteer fire department and has no employees; consequently, no family members of the District's governing authority are employees.

Budgeting

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

   Management provided us with a copy of the original budget. There were two amendments to the budget during the year.

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

   We traced the adoption of the original budget to the minutes of a meeting held on December 18, 2000, which indicated that the budget had been adopted by the commissioners of Fire Protection District No. 9 of Caddo Parish by unanimous vote. Amendments to the budget were made two times during the year; each was traced to authorization per the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

   Actual revenues exceeded budgeted revenues; budgeted expenses exceeded actual expenses.

Accounting and Reporting

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

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

   We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approval from the District's Board chairman and an additional Board member.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Management informs us that it posts a notice of each monthly meeting and the accompanying agenda on the exterior bulletin board of its facility. Although we were not able to observe such postings, we examined copies of such notices and agendas.

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.

No deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

A reading of the minutes of the District for the year indicated none of the payments noted. We also inspected disbursement records for the year and noted no instances which would indicate payments that would constitute bonuses, advances, or gifts.

Our prior year report, dated April 23, 2001, did not include any comments or unresolved matters.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Fire Protection District No. 9 of Caddo Parish 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.

Heard, McElroy + Vestal, LLP

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

APRIL 15 2002 (Date Transmitted)

HEARD McELROY & VESTAL, LLP
P. O. BOX 1607
SHREVEPORT, LA 71165-1607 (Auditors)

In connection with your compilation of our financial statements as of ~~(date)~~ DECEMBER 31, 2001 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of ~~(date of completion/representations).~~ 4-15-02

Public Bid Law
It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [X] No [ ]

Code of Ethics for Public Officials and Public Employees
It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [X] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [X] No [ ]

Budgeting
We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [X] No [ ]

Accounting and Reporting
All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [X] No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [X] No [ ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No [ ]

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [X] No [ ]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [X] No [ ]

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [X] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any knownnoncompliance which may occur subsequent to the issuance of your report.

Secretary 4-15-2002 Date

Treasurer 4-15-02 Date

President 4-15-02 Date