

RECEIVED
LEGISLATIVE AUDITOR
06 FEB 24 AM 10: 59

CROWVILLE FIRE DISTRICT
Crowville, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
December 31, 2005
With Supplemental Information Schedules

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 3-8-06

CROWVILLE FIRE DISTRICT
Crowville, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
December 31, 2005
With Supplemental Information Schedules

CONTENTS

	<u>Statement</u>	<u>Page No.</u>
Accountant's Compilation Report		2
General Purpose Financial Statements:		
Balance Sheet - All Fund Types and Account Groups - December 31, 2005	A	4
Governmental Fund Type - General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - December 31, 2005	B	5
Notes to the Financial Statements		6

Member American
Institute of Certified
Public Accountants

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

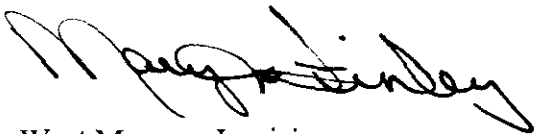
Member Society of
Louisiana Certified
Public Accountants

Accountant's Compilation Report

BOARD OF COMMISSIONERS
CROWVILLE FIRE DISTRICT
Crowville, Louisiana

I have compiled the accompanying general purpose financial statements, as listed in the foregoing table of contents, of the Crowville Fire District, a component unit of the Franklin Parish Police Jury, as of December 31, 2005, and for the year then ended, in accordance with standards established by *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 financial statements that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



West Monroe, Louisiana
February 9, 2006

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

CROWVILLE FIRE DISTRICT
Crowville, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 2005

	...ACCOUNT GROUPS...			TOTAL (MEMORANDUM ONLY)
	GOVERNMENTAL FUND TYPE - GENERAL FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
ASSETS				
Cash and cash equivalents	\$45,265			\$45,265
Receivables - property assessments	3,330			3,330
Land, buildings, and equipment		\$537,223		537,223
Amount to be provided for retirement of general long-term debt			\$79,000	79,000
TOTAL ASSETS	<u>\$48,595</u>	<u>\$537,223</u>	<u>\$79,000</u>	<u>\$664,818</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$1,104			\$1,104
Bonds payable			\$79,000	79,000
Total Liabilities	<u>1,104</u>	<u>NONE</u>	<u>79,000</u>	<u>80,104</u>
Fund Equity:				
Investment in general fixed assets		\$537,223		537,223
Fund balances:				
Reserved for debt service	5,000			5,000
Unreserved - undesignated	42,491			42,491
Total Fund Balances	<u>47,491</u>	<u>NONE</u>	<u>NONE</u>	<u>47,491</u>
Total Fund Equity	<u>47,491</u>	<u>537,223</u>	<u>NONE</u>	<u>584,714</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$48,595</u>	<u>\$537,223</u>	<u>\$79,000</u>	<u>\$664,818</u>

See accompanying notes and accountant's compilation report.

CROWVILLE FIRE DISTRICT
Crowville, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes - parcel fee assessments	\$37,200	\$42,200	\$5,000
Intergovernmental revenue - state funds:			
Fire insurance rebate	7,000	8,317	1,317
Grant	53,000	53,010	10
Use of money and property - interest earnings	200	729	529
Other revenue		56	56
Total revenues	<u>97,400</u>	<u>104,312</u>	<u>6,912</u>
EXPENDITURES			
Current - public safety:			
Operating services:			
Advertising	800	447	353
Utilities	3,600	3,254	346
Telephone	600	555	45
Maintenance of property and equipment	2,000	3,735	(1,735)
Professional services	1,200	830	370
Insurance and surety bonds	9,100	9,187	(87)
Materials and supplies:			
Office supplies	1,700	851	849
Operating supplies	6,700	4,987	1,713
Travel and other charges	200	1,047	(847)
Debt service	12,000	11,295	705
Capital outlay	59,500	57,640	1,860
Total expenditures	<u>97,400</u>	<u>93,828</u>	<u>3,572</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>NONE</u>	<u>10,484</u>	<u>10,484</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>37,007</u>	<u>37,007</u>
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>\$47,491</u>	<u>\$47,491</u>

See accompanying notes and accountant's compilation report.

CROWVILLE FIRE DISTRICT
Crowville, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Crowville Fire District was created by the Franklin Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, on November 3, 1987, by ordinance number 3321. The district is governed by a five member board appointed by the police jury. Board members serve without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Franklin Parish Police Jury is the financial reporting entity for Franklin Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria determining which component units should be considered part of the Franklin Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

CROWVILLE FIRE DISTRICT

Crowville, Louisiana

Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury created the district, appoints the commissioners of the district, and has the ability to impose its will on the district, the district was determined to be a component unit of the Franklin Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Franklin Parish financial reporting entity.

B. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require only the use of governmental funds (General Fund). Annual property assessments approved by voters of the district and interest earnings on investments are accounted for in this fund. General operating expenditures are paid from the fund.

See accountant's compilation report.

CROWVILLE FIRE DISTRICT

Crowville, Louisiana

Notes to the Financial Statements (Continued)

C. FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets. The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized.

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

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Property assessments are recognized in the year in which the assessments are due.

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

Based on the above criteria, property assessments have been treated as susceptible to accrual.

See accountant's compilation report.

CROWVILLE FIRE DISTRICT
Crowville, Louisiana
Notes to the Financial Statements (Continued)

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared by the board of commissioners and made available to the public. The budget is then adopted during the regular December meeting. The proposed budget for the General Fund is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners. The district does not use encumbrance accounting in its accounting system.

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

F. CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2005, the district has cash and cash equivalents (book balances) totaling \$45,265 follows:

Demand deposits	\$15,485
Time deposits	<u>29,780</u>
Total	<u>\$45,265</u>

See accountant's compilation report.

CROWVILLE FIRE DISTRICT

Crowville, Louisiana

Notes to the Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. All deposits are fully secured by federal deposit insurance at December 31, 2005.

G. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the fire district maintains a commercial insurance policy covering property and employee liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2005.

H. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) 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.

2. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the year ended December 31, 2005:

	<u>Balance</u> <u>January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u>
Land and improvements	\$13,522			\$13,522
Buildings	125,646			125,646
Vehicles	232,880			232,880
Equipment	107,535	\$57,640		165,175
Total	<u>\$479,583</u>	<u>\$57,640</u>	<u>NONE</u>	<u>\$537,223</u>

See accountant's compilation report.

CROWVILLE FIRE DISTRICT
 Crowville, Louisiana
 Notes to the Financial Statements (Continued)

3. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 2005:

	...Series 2003...		<u>Total</u>
	<u>Bond R-1</u>	<u>Bond R-2</u>	
Long-term debt payable at January 1, 2005	\$74,000	\$13,000	\$87,000
Additions			NONE
Reductions	<u>(8,000)</u>	<u> </u>	<u>(8,000)</u>
Long-term debt payable at December 31, 2005	<u>\$66,000</u>	<u>\$13,000</u>	<u>\$79,000</u>

The Certificates of Indebtedness, Series 2003, for \$95,000, were issued December 8, 2003, for the purpose of a fire truck and appurtenant equipment. Annual installments range from \$8,000 to \$11,000 and are due through November 1, 2013, at an interest rate of 4.50 percent. Debt requirements are made from the General Fund.

The annual requirements to amortize all bonded debt outstanding at December 31, 2005, including interest of \$14,940 is as follows:

<u>Year</u>	
2005	\$11,970
2006	11,565
2007	12,295
2008	11,295
2009	11,890
2010-2013	<u>34,925</u>
Total	<u>\$93,940</u>

4. RESERVED FUND BALANCE

As discussed in note 3, during 2003 the district received \$95,000 issuance of certificate of indebtedness for the purchase of fire trucks and appurtenant equipment. The agreement requires the establishment of a Reserve Fund. The district must transfer into this fund, annually, an amount equal to its annual debt service payments. At December 31, 2005, the district had set aside a total of \$5,000 to meet its reserve requirements and make the debt service payment due November 1, 2006.

See accountant's compilation report.

CROWVILLE FIRE DISTRICT
Crowville, Louisiana
Notes to the Financial Statements (Continued)

5. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 2005, nor is it aware of any unasserted claims.

6. COOPERATIVE AGREEMENT

The district has entered into a cooperative agreement with The Crowville Volunteer Fire Department for operation of the district. Under the agreement, the volunteer fire department is authorized to use any and all property and equipment of the district for fire fighting. The volunteer fire department is responsible for recruiting, training and equipping volunteer fire fighters. Further, the volunteer fire department is responsible for compliance with all applicable laws and regulations and for the upkeep of property and equipment. The Crowville Fire District retains the right to make any additions, expansions, or modifications to its property which it deems advisable. Further, the district is responsible for any insurance required or deemed advisable. Additionally, the district has the right to use the property at any time and in any manner that does not interfere with its use by the volunteer fire department in carrying out its responsibilities.

See accountant's compilation report.