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**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**

**GENERAL PURPOSE FINANCIAL STATEMENTS  
WITH ACCOUNTANT'S COMPILATION REPORT  
AND AGREED-UPON PROCEDURES REPORT  
As of and For the Year Ended  
December 3, 1999**

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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 8-16-00

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Deborah D. Dees, MBA, CPA  
122 Jefferson Street  
Mansfield, Louisiana 71052  
318-872-3007

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**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**  
Stanley, Louisiana

General Purpose Financial Statements  
As of and for the Year Ended December 31, 1999

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Deborah D. Dees, MBA, CPA



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CERTIFIED PUBLIC ACCOUNTANT

### Accountant's Compilation Report

Board of Directors  
DeSoto Parish Fire Protection District No. 5  
Stanley, Louisiana

I have compiled the accompanying general purpose financial statements of DeSoto Parish Fire Protection District No. 5 as of and for the year ended December 31, 1999, as required by Louisiana Revised Statute 24:513. The general purpose financial statements are compiled 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 information 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 form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated June 23, 1999, on the results of our agreed-upon procedures.

*Deborah D. Dees, CPA*

Certified Public Accountant  
Mansfield, Louisiana

June 22, 2000

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**

Stanley, Louisiana

**ALL FUND TYPES AND ACCOUNT GROUPS**

**Combined Balance Sheet**

December 31, 1999

|   | GOVERNMENTAL FUNDS |                         | FIDUCIARY FUND  |                | ACCOUNT GROUPS             |                                     | TOTAL<br>(MEMORANDUM<br>ONLY) |
|---|--------------------|-------------------------|-----------------|----------------|----------------------------|-------------------------------------|-------------------------------|
|   | GENERAL<br>FUND    | DEBT<br>SERVICE<br>FUND | AGENCY<br>FUND  | AGENCY<br>FUND | GENERAL<br>FIXED<br>ASSETS | GENERAL<br>LONG TERM<br>OBLIGATIONS |                               |
| <b>ASSETS AND OTHER DEBITS</b>  |                    |                         |                 |                |                            |                                     |                               |
| Cash  | \$ 26,200          | \$ 40,086               | \$ 5,268        |                |                            |                                     | \$ 71,554                     |
| Ad Valorem Taxes Receivable   | 75,445             |                         |                 |                | 593,429                    |                                     | 75,445                        |
| Fixed Assets  |                    |                         |                 |                |                            |                                     | 593,429                       |
| Amount to be provided for retirement of<br>certificates of indebtedness |                    |                         |                 |                |                            | 50,000                              | 50,000                        |
| <b>TOTAL ASSETS</b>   | <b>\$ 101,645</b>  | <b>\$ 40,086</b>        | <b>\$ 5,268</b> |                | <b>\$ 593,429</b>          | <b>\$ 50,000</b>                    | <b>\$ 1,383,857</b>           |
| <b>LIABILITIES &amp; FUND EQUITY AND OTHER CREDITS</b>                  |                    |                         |                 |                |                            |                                     |                               |
| Liabilities:  |                    |                         |                 |                |                            |                                     |                               |
| Certificates of Indebtedness payable                                    |                    |                         |                 |                |                            | 50,000                              | 50,000                        |
| <b>TOTAL LIABILITIES</b>  |                    |                         |                 |                |                            | <b>50,000</b>                       | <b>50,000</b>                 |
| Fund Equity and Other Credits:  |                    |                         |                 |                |                            |                                     |                               |
| Investment in Fixed Assets  |                    |                         |                 |                | 593,429                    |                                     | 593,429                       |
| Fund Balance - Unreserved   | 101,645            | 14,636                  | 5,268           |                |                            |                                     | 116,281                       |
| Fund Balance - Reserved for debt service                                |                    | 25,450                  |                 |                |                            |                                     | 25,450                        |
| <b>TOTAL EQUITY AND OTHER CREDITS</b>                                   | <b>101,645</b>     | <b>40,086</b>           |                 |                | <b>593,429</b>             |                                     | <b>735,160</b>                |
| <b>TOTAL LIABILITIES, EQUITY, AND<br/>OTHER CREDITS</b>                 | <b>\$ 101,645</b>  | <b>\$ 40,086</b>        | <b>\$ 5,268</b> |                | <b>\$ 593,429</b>          | <b>\$ 50,000</b>                    | <b>\$ 785,160</b>             |

See accompanying notes and accountant's compilation report.

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**

Stanley, Louisiana

**GOVERNMENTAL FUNDS**

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 1999

|   | GENERAL<br>FUND   | DEBT<br>SERVICE<br>FUND | TOTAL<br>(MEMORANDUM<br>ONLY) |
|---|-------------------|-------------------------|-------------------------------|
| <b>REVENUES:</b>  |                   |                         |                               |
| Ad Valorem taxes  | \$ 37,735         | \$ 41,084               | \$ 78,819                     |
| Intergovernmental revenue-state funds                         |                   |                         |                               |
| Revenue Sharing   | 4,254             |                         | 4,254                         |
| Insurance rebate  | 3,262             |                         | 3,262                         |
| Interest  | 7,132             |                         | 7,132                         |
| Miscellaneous Income  | 354               |                         | 354                           |
| <b>TOTAL REVENUES</b>   | <u>52,737</u>     | <u>41,084</u>           | <u>93,821</u>                 |
| <b>EXPENDITURES</b>   |                   |                         |                               |
| Current:  |                   |                         |                               |
| Operations  | 3,691             |                         | 3,691                         |
| Insurance   | 6,948             |                         | 6,948                         |
| Administration  | 4,691             |                         | 4,691                         |
| Capital Outlays   | 144,796           |                         | 144,796                       |
| Debt Service:   |                   |                         |                               |
| Interest  |                   | 998                     | 998                           |
| <b>TOTAL EXPENDITURES</b>                                     | <u>160,126</u>    | <u>998</u>              | <u>161,124</u>                |
| <b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>         | (107,389)         | 40,086                  | (67,303)                      |
| <b>OTHER FINANCING SOURCES</b>                                |                   |                         |                               |
| Certificates of Indebtedness issued                           | 50,000            |                         | 50,000                        |
| <b>TOTAL OTHER FINANCING SOURCES</b>                          | <u>50,000</u>     | <u>0</u>                | <u>50,000</u>                 |
| <b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b> | (57,389)          | 40,086                  | (17,303)                      |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>                        | 159,034           | 0                       | 159,034                       |
| <b>FUND BALANCE, END OF YEAR</b>                              | <u>\$ 101,645</u> | <u>\$ 40,086</u>        | <u>\$ 141,731</u>             |

See accompanying notes and accountant's compilation report.

## DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

## GOVERNMENTAL FUND TYPES

Statement of Revenues, Expenditures, and Changes in Fund Balances Budget (Cash Basis) and Actual  
For the Year Ended December 31, 1999

|  | GENERAL FUND     |                   |  | DEBT SERVICE FUND |                  |  |
|--|------------------|-------------------|--|-------------------|------------------|--|
|  | BUDGET           | ACTUAL            | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) | BUDGET            | ACTUAL           | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
| <b>REVENUES</b>  |                  |                   |  |                   |                  |  |
| Ad Valorem taxes   | \$ 37,000        | \$ 37,735         | \$ 735                                 | \$ 41,000         | \$ 41,084        | \$ 84                                  |
| Revenue Sharing  | 2,892            | 4,254             | 1,362                                  |                   |                  | 0                                      |
| Insurance rebate   | 4,300            | 3,262             | (1,038)                                |                   |                  | 0                                      |
| Interest   | 6,575            | 7,132             |  |                   |                  | 0                                      |
| Miscellaneous Income   | 0                | 354               | 354                                    |                   |                  | 0                                      |
| <b>TOTAL REVENUES</b>  | <u>50,767</u>    | <u>52,737</u>     | <u>2,775</u>                           | <u>41,000</u>     | <u>41,084</u>    | <u>84</u>                              |
| <b>EXPENDITURES</b>  |                  |                   |  |                   |                  |  |
| Current:   |                  |                   |  |                   |                  |  |
| Operations   | 4,525            | 3,691             | 834                                    |                   |                  |  |
| Insurance  | 6,950            | 6,948             | 2                                      |                   |                  |  |
| Administration   | 4,800            | 4,691             | 109                                    |                   |                  |  |
| Capital Outlays  | 144,796          | 144,796           | 0                                      |                   |                  |  |
| Debt Service:  |                  |                   |  |                   |                  |  |
| Interest   |                  |                   |  | 1,100             | 998              | 102                                    |
| <b>TOTAL EXPENDITURES</b>  | <u>161,071</u>   | <u>160,126</u>    | <u>945</u>                             | <u>1,100</u>      | <u>998</u>       | <u>102</u>                             |
| <b>EXCESS(DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b>                   | <u>(110,304)</u> | <u>(107,389)</u>  | <u>3,720</u>                           | <u>39,900</u>     | <u>40,086</u>    | <u>186</u>                             |
| <b>OTHER FINANCING SOURCES</b>   |                  |                   |  |                   |                  |  |
| Certificates of indebtedness issued  | 50,000           | 50,000            | 0                                      |                   |                  | 0                                      |
| <b>TOTAL OTHER FINANCING SOURCES</b>                                       | <u>50,000</u>    | <u>50,000</u>     | <u>0</u>                               |                   | <u>0</u>         | <u>0</u>                               |
| <b>EXCESS(DEFICIT) OF REVENUES AND<br/>OTHER SOURCES OVER EXPENDITURES</b> | <u>(60,304)</u>  | <u>(57,389)</u>   | <u>3,720</u>                           | <u>39,900</u>     | <u>40,086</u>    | <u>186</u>                             |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>                                     | <u>159,034</u>   | <u>159,034</u>    |  | <u>0</u>          | <u>0</u>         |  |
| <b>FUND BALANCE, END OF YEAR</b>   | <u>\$ 98,730</u> | <u>\$ 101,645</u> | <u>\$ 3,720</u>                        | <u>\$ 39,900</u>  | <u>\$ 40,086</u> | <u>\$ 186</u>                          |

See accompanying notes and accountant's compilation report.

# DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

Notes to the Financial Statements

As of and for the Year Ended December 31, 1999

## INTRODUCTION

DeSoto Fire Protection District No.5 was created by the DeSoto Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on April 16, 1988. The district is governed by a five-member board appointed in accordance to LRS 40:1496 as follows: two members by the police jury, two members by the Village of Stanley, and one by the other four members. 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.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the DeSoto Parish Fire Protection District No. 5 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

As the governing authority of the parish, for reporting purposes, the DeSoto Parish Police Jury is the financial reporting entity for DeSoto Parish. The financial reporting entity consists of (a) the primary government (policy 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 statement to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the DeSoto Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial 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 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.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organization 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 and has the ability to impose its will on the district, the district was determined to be a component unit of the DeSoto 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 policy jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

# DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

## Notes to the Financial Statements

As of and for the Year Ended December 31, 1999

### C. 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 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.

Funds of the district are classified as governmental and fiduciary. 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. Governmental funds of the district include:

*General Fund--the operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.*

Fiduciary funds are used to account for assets held on behalf of outside parties, or on behalf of other funds within the district. The fiduciary fund of the district includes:

*Agency Fund--accounts for assets that the district holds on behalf of the Ladies' Auxiliary as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.*

### D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are 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 these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

#### **Revenues**

The major source of revenue (ad valorem taxes) is recognized when susceptible to accrual, i.e., when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

#### **Expenditures**

Expenditures are generally recorded when the related fund liability is incurred, if measurable.

# DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

Notes to the Financial Statements

As of and for the Year Ended December 31, 1999

## E. BUDGET

The district is required by state law to adopt an annual budget. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

A proposed budget is prepared by the governing board in November and made available for public inspection no later than 15 days prior to December 31, of each year. In open meeting prior to December 31, the budget is adopted and becomes part of the official minutes of the District. The proposed budget for the General Fund is prepared on the modified accrual basis of accounting.

Once a budget is approved, it can be amended by approval of a majority of the Board. Amendments are presented at a regular open meeting for Board approval. The budget was amended during the year.

## F. CASH

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.

At December 31, 1999, the district has cash in demand and interest-bearing demand deposits totaling \$66,286 (book balance.) These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the 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. At December 31, 1999, the district has \$66,302 (bank balance) in deposits. These deposits are secured from risk by \$100,000 of federal deposit insurance.

## G. ACCOUNTS RECEIVABLE

The District deems all the receivables as collectible and does not record an allowance for doubtful accounts.

## H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at actual historical cost. No depreciation has been provided on general fixed assets.

# DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

Notes to the Financial Statements

As of and for the Year Ended December 31, 1999

## I. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the government funds when due.

## J. FUND EQUITY

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

## K. 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 this column does 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 District levies taxes on real and business personal property located within the boundaries of the District. Property taxes are levied by the District on property values assessed by the DeSoto Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

### Property Tax Calendar:

|                            |                   |
|----------------------------|-------------------|
| Assessment date            | January 1, 1999   |
| Levy date                  | June 30, 1999     |
| Tax bills mailed           | October 15, 1999  |
| Total taxes are due        | December 31, 1999 |
| Penalties & interest added | January 31, 2000  |
| Tax sale                   | May 15, 2000      |

The District has authorized and levied a 9.47 mills. This levy was renewed for the year 1998 and expires in the year 2007. Ad valorem taxes are recorded in the year the taxes are assessed. The taxes are normally collected in December of the current year and January and February of the ensuing year. Total assessed value was \$8,3238,081 in 1999. Louisiana state law exempted the first \$7,500 of assessed value of taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$1,826,318 in 1999. Total ad valorem tax revenues recognized in 1999 by the District was \$78,819.

## DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

Notes to the Financial Statements

As of and for the Year Ended December 31, 1999

### 2. LEVIED TAXES (continued)

The following are the principal taxpayers for the district:

| Taxpayer                      | Assessed Valuation  | Percentage of Total Assessed Valuation |
|-------------------------------|---------------------|--|
| Southwestern Electric         | \$ 1,623,255        | 19.7%                                  |
| Northeast Texas Electric      | 1,073,790           | 13.0%                                  |
| Vastar Resources Inc          | 758,840             | 9.2%                                   |
| Central La Electric Co.       | 550,410             | 6.7%                                   |
| Southern Natural Gas Co.      | 481,400             | 5.8%                                   |
| Duke Energy Field Services    | 387,190             | 4.7%                                   |
| Pioneer Natural Res USA, Inc. | 371,570             | 4.5%                                   |
| IP N-S Assets, L.P.           | 301,994             | 3.7%                                   |
| Texas Eastern Transmission    | 221,690             | 2.7%                                   |
| MCI Telecommunications Corp   | 198,716             | 2.4%                                   |
| Total                         | <u>\$ 5,968,855</u> | <u>72.3%</u>                           |

### 3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

|                  | Balance<br>January 1,<br>1999 | Additions | Deductions | Balance,<br>December<br>31, 1999 |
|------------------|-------------------------------|-----------|------------|----------------------------------|
| Fire equipment   | \$ 352,560                    | 144,796   | -          | \$ 497,356                       |
| Land & Buildings | 96,073                        | -         | -          | 96,073                           |
| Total            | <u>\$ 448,633</u>             | <u></u>   | <u></u>    | <u>\$ 593,429</u>                |

### 4. LITIGATION AND CLAIMS

The fire district is not involved in any litigation at December 31, 1999, nor is it aware of any unasserted claims.

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**

Stanley, Louisiana

Notes to the Financial Statements

As of and for the Year Ended December 31, 1999

**5. CHANGES IN LONG-TERM DEBT**

Certificates of Indebtedness, Series 1999, were issued February 22, 1999, in the amount of \$50,000 for acquiring and improving fire protection facilities and equipment. The bonds are secured by a special 9.47 mill ad valorem tax. The annual installments range from \$24,000-\$26,000 per year plus semiannual interest payments at 5 percent.

The annual requirements to amortize the certificates outstanding at December 31, 1999, including interest of \$1,950 are as follows:

| Year ending |                  |
|-------------|------------------|
| 2000        | 25,450           |
| 2001        | 26,500           |
| Total       | <u>\$ 51,950</u> |

**Independent Accountant's Report on Applying Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

### Independent Accountant's Report On Applying Agreed-Upon Procedures

Board of Directors  
DeSoto Parish Fire Protection District No 5  
Stanley, LA

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of DeSoto Parish Fire Protection District No. 5 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about DeSoto Parish Fire Protection District No. 5's compliance with certain laws and regulations during the year ended December 31, 1999, 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 the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$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).

No expenditures were made during the year for materials and supplies exceeding \$15,000 and one expenditure was made for public works exceeding \$100,000. I examined documentation which indicated that this expenditure was made in accordance with the provisions of LSA-RS 38-2211-2251.

#### 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 Board provided me with the required list including the noted information.

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

The Board provided me with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

A review of the disbursement journal did not indicate any employees.

### **Budgeting**

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

Management provided me with a copy of the original and amended budgets for the general fund.

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

I traced the adoption of the original budget to the minutes of a meeting held on Jan 11, 1999, which indicated that the budget had been adopted by the commissioners of DeSoto Fire Protection District No. 5 with no opposition from the five board members. The budget was amended at a meeting held June 14, 1999. Approval of the budget is also on the agenda for the December 13, 1999, meeting and a copy of a revised budget is in the official documents, but there is no noted approval in the minutes of that meeting.

LSR 39:1308 requires that all action necessary to adopt and otherwise finalize and implement the budget for an ensuing fiscal year shall be taken in open meeting and completed prior to the end of the fiscal year in progress. The Fire District did not approve the 1999 budget until January, 1999.

**BOARD RESPONSE:** A copy of the revised statutes concerning the adoption procedures of the budget have been obtained and will be followed from the date of this response.

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

LSR 39:1309-1310 requires that the fire district adopt a budget amendment when revenues and other sources to date plus projected amounts for the remainder of the year are failing to meet budgeted amounts by five percent or more and/or when expenditures and other used to date plus project amounts for the remainder of the year are exceeding budgeted amounts by five percent or more. I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%, except that insurance rebate revenue was under budget by 24.1% Total budgeted revenue to total actual revenues was over 2.2%

**BOARD RESPONSE:** The board is diligent, but this discrepancy was overlooked inadvertently.

### Accounting and Reporting

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

a. trace payments to supporting documentation as to correct amount and payee;

I 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;

The payments were found to be coded to the correct fund and general ledger accounts.

c. determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated approvals from board members .

### Meetings

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

DeSoto Parish Fire Protection District No. 5 is required to post a notice of each meeting and the accompanying agenda on the door of the district's meeting place. Management has asserted that such documents were properly posted, and I noted the posted agendas on two occasions when I visited the Fire Station. There were also copies of the agendas in the files.

### Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted a deposit which is the proceeds from a \$50,000 Certificate of Indebtedness. This loan was approved by the State Bonding Commission and all required documentation is in the files of the Fire District.

**Advances and Bonuses**

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

A reading of the minutes of the district for the year indicated no approval for the payments noted.

**Prior Year Comments and Recommendations**

12. I reviewed any prior-year suggestions, recommendations, and or comments to determine the extent to which such matters have been resolved. In the agreed-upon procedures engagement for the year ended June 30, 1998, the following were reported:

I reported that actual amounts exceeded budgeted amounts by 5%. This continues to be a comment on the report, but the overall revenues and expenses appear to be more closely monitored by the board.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of DeSoto Fire Protection District No. 5 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Deborah A. Lees, CPA*

Mansfield, Louisiana  
June 22, 2000

### **Louisiana Attestation Questionnaire**

The accompanying Louisiana Attestation Questionnaire has been completed by management and is included in this report as required.

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

June 12, 2000 (Date Transmitted)

Deborah D. Dees, CPA  
122 Jefferson St.  
Monroeville, LA 71052 (Auditors)

In connection with your compilation of our financial statements as of [date] 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).

**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 [] 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 [] 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 [] 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 [] 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 [] No [ ]

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

Yes [] No [ ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.  
Yes [] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.  
Yes [] 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 [] 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 [] 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 known noncompliance which may occur subsequent to the issuance of your report.

Robert W. Elliott Secretary May 23 2000 Date  
Robert W. Elliott Treasurer May 24 2000 Date  
Milton M. Baker President JUNE 12 2000 Date