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ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO.1

Financial Report

June 30, 1999

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 FEB 09 2000

J. L. SONNIER
Certified Public Accountant
Lafayette, Louisiana

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
St. Landry Parish Fire District No. 1
Krotz Springs, Louisiana

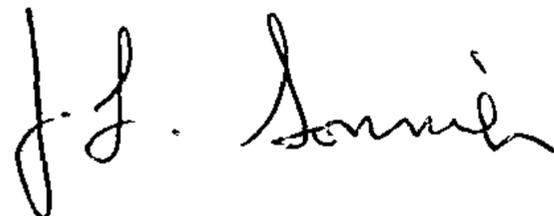
I have audited the accompanying general purpose financial statements of St. Landry Parish Fire District No. 1, a component unit of the St. Landry Parish Police Jury, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of St. Landry Parish Fire District No. 1. My responsibility is to express an opinion on these general purpose 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 above present fairly, in all material respects, the financial position of St. Landry Parish Fire District No. 1, a component unit of the St. Landry Parish Police Jury, as of June 30, 1999 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The year 2000 supplementary information on page 13 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. I have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that St. Landry Parish Fire District No. 1 is or will become year 2000 compliant, that the District's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the District does business are or will be year 2000 compliant.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 21, 1999 on my consideration on the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



December 21, 1999

ST. LANDRY PARISH FIRE DISTRICT NO. 1

**COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999**

	General Fund	General Fixed Assets Account Group	Totals (Memorandum Only) 1999	1998
ASSETS				
Cash and interest bearing deposits	367,070	–	367,070	367,911
Property taxes receivable	–	–	–	670
Interest receivable	508	–	508	514
Due from other governments –				
<i>Fire insurance tax</i>	–	–	–	3,850
<i>Revenue sharing</i>	–	–	–	2,269
Prepaid insurance	10,645	–	10,645	9,469
Land	–	31,000	31,000	31,000
Equipment	–	780,069	780,069	721,239
Buildings and improvements	–	362,304	362,304	359,698
Total assets	<u>378,223</u>	<u>1,173,373</u>	<u>1,551,596</u>	<u>1,496,620</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	15,247	–	15,247	9,199
Accrued expenses	5,899	–	5,899	9,398
Payroll taxes payable	4,928	–	4,928	30,647
Total liabilities	<u>26,074</u>	<u>–</u>	<u>26,074</u>	<u>49,244</u>
Fund equity:				
Investment in general fixed assets	–	1,173,373	1,173,373	1,111,937
Fund balance – Unreserved, undesignated	352,149	–	352,149	335,439
Total fund equity	<u>352,149</u>	<u>1,173,373</u>	<u>1,525,522</u>	<u>1,447,376</u>
Total liabilities and fund equity	<u>378,223</u>	<u>1,173,373</u>	<u>1,551,596</u>	<u>1,496,620</u>

See Notes to Financial Statements.

ST. LANDRY PARISH FIRE DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND
Year Ended June 30, 1999

With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance – Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes – property	432,901	430,115	(2,786)	285,926
Intergovernmental revenues –				
Fire insurance tax	–	4,066	4,066	3,850
Revenue sharing	6,046	8,301	2,255	6,967
On – behalf payments –				
Supplemental pay	23,000	21,600	(1,400)	21,600
Pension	22,000	20,378	(1,622)	22,191
Miscellaneous –				
Interest	10,034	11,417	1,383	12,452
Other	4,762	1,922	(2,840)	426
Total Revenues	498,743	497,799	(944)	353,412
Expenditures:				
Current – public safety				
Salaries and benefits	302,241	302,778	(537)	286,899
Equipment costs	16,143	45,051	(28,908)	12,128
Occupancy costs	5,067	5,066	1	8,278
Office and administrative	34,893	32,949	1,944	28,093
Insurance	30,081	14,025	16,056	13,771
Other	8,342	15,444	(7,102)	5,475
Capital outlays –				
Equipment	73,992	63,170	10,822	30,585
Building	–	2,606	(2,606)	104,327
Total expenditures	470,759	481,089	(10,330)	489,556
Excess (deficiency) of revenues over expenditures	27,984	16,710	(11,274)	(136,144)
Fund balance, beginning	335,439	335,439	–	471,583
Fund balance, ending	363,423	352,149	(11,274)	335,439

See Notes to Financial Statements.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO 1.

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying component unit financial statements of St. Landry Parish Fire District No. 1 (the 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.

The following is a summary of certain significant accounting policies:

Reporting Entity

As provided by Louisiana Revised Statute 40:1496, the fire protection district is governed by five commissioners who are resident property taxpayers of the District. Two are appointed by the parish governing authority and two by the governing body of the municipal corporation in the District. The fifth commissioner is selected by the other four members and serves as chairman. The members serve terms of two years. Vacancies are filled by the bodies making the original appointments.

Fire protection districts are created for the purpose of acquiring, maintaining, and operating buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other things necessary to provide proper fire prevention and control to the property within the district.

The District is a component unit of the St. Landry Parish Police Jury.

Fund Accounting

The accounts of the Board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The General Fund is the operating fund of the board. It is used to account for all financial resources not accounted for in the General Fixed Assets Account Group.

Fixed Assets

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The General Fund operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on its balance sheet.

Fixed assets are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the General Fund when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses 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 General Fund is accounted for using the modified accrual basis of accounting. Its revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred.

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Fire Chief prepares a proposed budget and submits it to the Board of Commissioners prior to the beginning of each fiscal year.
2. A summary of the proposed budget is made available for public inspection.
3. The proposed budget is legally adopted prior to the commencement of the fiscal year to which it applies.
4. All budgetary appropriations lapse at the end of the each fiscal year.
5. The budget is adopted on a basis consistent with generally accepted accounting principals (GAAP). Budgeted amounts included in the accompanying financial statements are the final amended amounts for the fiscal year.

Encumbrances

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

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Total Column on Combined Statement

The total column on the combined balance sheet is captioned "Memorandum 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.

Dollar Signs

All numeric data in the financial statements and accompanying notes are presented in U.S. dollars. Dollar signs have been omitted.

Use of Estimates

Management must use estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenditures. Actual results could differ from those estimates.

2. BANK DEPOSITS AND INVESTMENTS

The District may invest in direct United States Treasury obligations, U.S. Government Agency obligations guaranteed by the U.S. Government, time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana, and investments as stipulated in LSA-R.S. 39:2955.

At June 30, 1999, bank deposits totaling 100,000 were insured by the FDIC. Bank deposit balances totaling 269,004 were collateralized with securities held by the pledging financial institution, but not in the Board's name.

3. PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value as of the prior January 1. Assessed values are established by the Parish Assessor and the State Tax Commission. The tax rate assessed in the fiscal year ended June 30, 1999 was 21.13 mills (2.1%). Taxes are due and payable by December 31 with interest being charged on payments made thereafter.

Property taxes are dedicated to acquiring, constructing, maintaining and operating facilities and equipment necessary to provide proper fire prevention and control to property within the district.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. BAD DEBTS

The financial statements of the District contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectability of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the General Fund.

5. PENSION PLAN

The District participates in the Firefighters' Retirement system, a cost sharing multiple-employer defined benefit pension plan. Any full-time firefighter of the District is covered under the plan.

Pension benefits - Employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have obtained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees that terminate prior to rendering 12 years of service forfeit the portion of accumulated benefits attributable to the District's contributions. Benefits are established under the authority of Louisiana statutes. The actual plan document should be consulted for more specifics as well as information regarding forfeitures, death benefits and disability benefits.

The District's covered payroll for the current fiscal year was 178,284. Actuarially determined required contributions of the District were 16,045 (9% of covered payroll). Employee contributions were 14,263 (8% of covered payroll). Contributions established by Louisiana statute and 100% of required contributions were made for the current and preceding two years.

Historical trend information which provides information about progress made in accumulating sufficient assets to pay benefits is available in separately issued reports of the Firefighters' Retirement System.

6. ON-BEHALF PAYMENTS OF SALARIES AND FRINGE BENEFITS

The State of Louisiana paid the District's firefighters supplemental pay of 21,600 and contributed 20,378 to the Firefighter's Retirement System on-behalf of District employees. These amounts are included in the accompanying financial statements as revenues and expenditures.

7. BOARD MEMBER COMPENSATION

Members of the board of Commissioners receive 50 per diem for attending board meetings. That compensation totaled 5,750 in the current year.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. CHANGES IN GENERAL FIXED ASSETS

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Balance, beginning of year	31,000	359,698	721,239	1,111,937
Additions	-	2,606	63,170	65,776
Dispositions	-	-	(4,340)	(4,340)
Balance, end of year	<u>31,000</u>	<u>362,304</u>	<u>780,069</u>	<u>1,173,373</u>

9. RISK MANAGEMENT

The District is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year. Settlements have not exceeded insurance coverage during the three year period ended June 30, 1999.

10. COMPENSATED ABSENCES

No accrual has been made for vacation or sick pay due to the insignificance of the amounts involved.

11. RECLASSIFICATION OF PRIOR YEAR AMOUNTS

Certain amounts reported in the prior year have been reclassified for comparative purposes with current year amounts.

12. CONTINGENT PROPERTY TAX REVENUE

Certain taxpayers of the District have exercised the right to pay their property taxes under protest and therefore, those taxes are being held in escrow by the St. Landry Parish tax collector. The taxpayers and the St. Landry Parish Assessor shall present their cases to the Louisiana Tax Commission which shall determine what, if any portion of the protested taxes were appropriately assessed and collectible by the District. The taxes paid under protest totaled 165,637 at June 30, 1999 and have not been recognized as revenue because they were neither measurable or available at that time.

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
St. Landry Parish Fire
District No. 1
Krotz Spring, Louisiana

I have audited the general purpose financial statements of St. Landry Fire District No. 1 (the District), a component unit of St. Landry Parish Police Jury, as of and for the year ended June 30, 1999 and have issued my report thereon dated December 21, 1999. 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 the District's general purpose 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of prior and current audit findings as item 99-1.

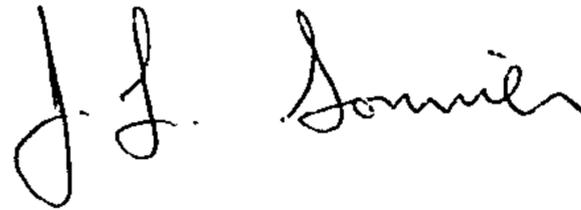
Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition noted is described in the accompanying schedule of audit findings as item 99-2.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL (CONTINUED)

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 general purpose 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe reportable condition 99-2 described above is a material weakness.

This report is intended for the information of the Board of Commissioners, management, the St. Landry Parish Police Jury and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script, appearing to read "J. J. Souther".

December 21, 1999

ST. LANDRY PARISH FIRE DISTRICT NO. 1

**Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan
Year Ended June 30, 1999**

1. Prior Year Findings:

Compliance

There are no findings that are required to be reported under the above.

Internal Control Over Financial Reporting

Inadequate Segregation of Accounting Functions -

Finding 98-1:

Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 99-2.

Delinquent Reporting and Payment of Payroll Taxes and Employee Pension -

Finding 98-2:

The reporting and payment of payroll taxes and employee pension were delinquent through much of the fiscal year ended June 30, 1998.

Status:

Resolved.

ST. LANDRY PARISH FIRE DISTRICT NO. 1

**Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 1999**

II. Current Year Findings and Management's Corrective Action Plan:

Compliance

Item 99-1 - Failure to Comply With Public Bid Law

Finding:

The District purchased a used truck for \$35,000 and did not advertise for bids thereon as required by the public bid law (LSA-RS Title 38:2212).

Management's Corrective Action Plan:

The District's Management shall familiarize itself with the public bid law and comply with its requirements in the future.

Internal Control Over Financial Reporting

Item 99-2 - Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.

Management's corrective action plan:

Management has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

ST. LANDRY PARISH FIRE DISTRICT NO. 1

**Supplementary Information
Year 2000 Issue (Unaudited)**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government entity's operations as early as calendar year 1999.

St. Landry Parish Fire District No. 1 has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the District's operations. Based on this inventory, the District is in the remediation stage for the financial reporting systems. No contracts for software and hardware have been let as of June 30, 1999. Testing and validation of the systems will need to be completed after the software and hardware are purchased and installed.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be year 2000 ready, the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be year 2000 ready.