

MONTREY FIRE PROTECTION DISTRICT
 NO. 1 OF CONCORDIA PARISH
 Montreay, Louisiana

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Monterey Fire Protection District
No. 1 of Concordia Parish
Monterey, Louisiana

We have audited the component unit financial statements of the Monterey Fire Protection District No. 1 of Concordia Parish as of December 31, 1996, and for the two years then ended, as listed in the table of contents. These component unit financial statements are the responsibility of the management of the Monterey Fire Protection District No. 1 of Concordia Parish. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

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

As discussed in note 1E, the district did not adopt annual budgets for the General Fund as required by state law. Consequently, a budgetary comparison statement, as required by generally accepted accounting principles, is not included in the accompanying component unit financial statements.

In our opinion, except that the omission of the financial statements discussed in the previous paragraph results in an incomplete presentation, the component unit financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Monterey Fire Protection District No. 1 of Concordia Parish as of December 31, 1996, and the results of its operations for each of the years in the two year period then ended, in conformity with generally accepted accounting principles.

Ferriday, Louisiana
September 8, 1997

Switzer, Hopkins & Mange

COMPONENT UNIT FINANCIAL STATEMENTS
(CONTINUED)

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH
Monterey, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS**

Balance Sheet, December 31, 1994

	Governmental Fund Type General Fund	Revenue Group General Fixed Capital	Total (Governmental) (\$12)
ASSETS AND OTHER DEBITS			
Cash	\$ 894	\$ -	\$ 894
Receivables - ad valorem taxes	24,577	-	24,577
Land, Buildings and equipment (note 1)	-	184,149	184,149
TOTAL ASSETS	<u>25,471</u>	<u>184,149</u>	<u>209,620</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Bank loans payable (note 1)	4,500	-	4,500
Fund Equity:			
Investment in general fixed assets	-	184,149	184,149
Fund balances			
Unreserved	7,971	-	7,971
Total Fund Equity	<u>7,971</u>	<u>184,149</u>	<u>192,120</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 12,471</u>	<u>\$ 184,149</u>	<u>\$ 196,620</u>

The accompanying notes are an integral part of this statement.

ROCHESTER FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH
ROCHESTER, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 1976

Revenues:	
Ad valorem taxes	\$ 11,499
Intergovernmental revenue - state funds -	
fire insurance rebate	4,490
Use of money and property	80
Total Revenues	<u>\$16,069</u>
Expenditures:	
Public safety:	
Current:	
Personal services and related benefits	878
Operating services	12,743
Materials and supplies	3,012
Capital outlay	4,864
Debt service	1,187
Total expenditures	<u>\$22,684</u>
Excess of revenues (under) expenditures	(6,615)
Fund balance at beginning of year	<u>9,551</u>
Fund balance at end of year	<u>\$ 2,936</u>

The accompanying notes are an integral part of this statement.

MONTEREY FIRE PROTECTION SERVICE NO. 1
 OF CONDORCIE FIRE
 Monterey, California
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 For the Year Ended December 31, 1995

Revenues:	
Ad valorem taxes	\$ 17,067
Intergovernmental revenue - state funds - fire insurance rebate	4,318
Use of money and property	98
Total revenues	<u>21,483</u>
Expenditures:	
Public safety:	
Current:	
Personal services and related benefits	508
Operating services	8,283
Materials and supplies	4,977
Capital outlay	4,831
Debt service	111
Total expenditures	<u>18,710</u>
Excess of revenues over expenditures	2,773
Fund balance at beginning of year	<u>7,848</u>
Fund balance at end of year	<u>\$ 10,621</u>

The accompanying notes are an integral part of this statement.

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH
Monterey, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Monterey Fire Protection District No. 1 of Concordia Parish was created by the Concordia Parish Police Jury, as authorized by Louisiana Revised Statute 40:1490.1, for the purpose of providing fire protection within the district. The district is governed by a five member board appointed by the police jury. Board members serve five-year terms without compensation. The district has one paid part-time fireman; all others are volunteers. The district was created to acquire, maintain, and operate buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other things necessary to provide proper fire prevention and control of the property within the fire district.

A. REPORTING ENTITY

The reporting entity for Concordia Parish consist of the Concordia Parish Police Jury, which as governing authority of the parish is the component unit with oversight responsibility, and other governmental entities (component units) within the parish over which the police jury exercises oversight responsibility. In accordance with GASB codification Section 2000, the Monterey Fire Protection District No. 1 of Concordia Parish is an integral part of the parish reporting entity and should be included within the component unit financial statements of that reporting entity. GASB codification section 2000 provides that a component unit may also issue financial statements separate from those of the reporting entity. Accordingly, the accompanying financial statements present information only on the financial operations of the Monterey Fire Protection District No. 1 of Concordia Parish and do not present information on the Concordia Parish Police Jury, the general government services provided by the police jury or on other component units that comprise the Concordia Parish 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.

MONTEREY FIRE PROTECTION DISTRICT NO. 1

Notes to the Financial Statements
December 31, 1994

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

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1903 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Intergovernmental revenues are recorded when the district is entitled to the funds.

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, ad valorem taxes and other intergovernmental revenues have been treated as susceptible to accrual.

Expenditures

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

MONTEREY FIRE PROTECTION DISTRICT NO. 1

Notes to the Financial Statements
December 31, 1994

E. BUDGET PRACTICES

Although Louisiana Revised Statutes 28:1201-1224 require the district to adopt a budget as annual Budget for the General Fund, the district did not adopt for the two years ended December 31, 1994. Therefore, budget comparison statements for the two years ended December 31, 1994 are not presented as required by generally accepted accounting principles.

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, 1994, the district has a cash balance (book balance) of \$994. These funds are entirely insured by FDIC insurance.

G. VACATION AND SICK LEAVE

The district has no regular employees requiring the adoption of vacation and sick leave policies.

H. TOTAL COLUMN ON COMBINED STATEMENTS

The total column on the combined balance sheet is captioned Memorandum Only (overview) to indicate that it is 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.

NOTE 3 - LEVIED TAXES

The district is authorized to levy a maximum tax of 3.00 mills annually on property within the boundaries of the district for maintenance and operation of the district. The district levied 3.25 mills and 3.20 mills for 1993 and 1994, respectively. The tax will expire with the 1994 tax roll. The differences between authorized and levied millages are the result of reassessments of the taxable property required by Article 7, Section 23 of the Louisiana constitution of 1974.

MONTEREY FIRE PROTECTION DISTRICT NO. 1

Notes to the Financial Statements
December 31, 1994

NOTE 3 - GENERAL FIXED ASSETS

The following is a schedule of general fixed assets at December 31, 1994:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
1993	\$ 174,348	\$ 4,857	\$ -	\$ 181,285
1994	181,285	4,854	-	186,149

NOTE 4 - PENSION PLAN

The district has no employees which would require participation in a retirement system.

NOTE 5 - BANK LOANS PAYABLE

The following is a summary of bank loan transactions for the two years ended December 31, 1994:

Bank loans payable at December 31, 1993	\$ 4,500
For the year ended December 31, 1993	
Additions	5,000
Payments	(4,500)
For the year ended December 31, 1994	
Additions	10,000
Payments	(15,500)
Bank loans payable at December 31, 1994	\$ <u>9,000</u>

Bank loans payable are retired from the General Fund.

NOTE 6 - LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 1994, nor is it aware of any unasserted claims.

**Independent Auditors' Reports Required
by Government Auditing Standards**

The following independent auditors' reports on compliance with laws, regulations, and contracts and internal control structures are presented in compliance with the requirements of Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

SWITZER, HOPKINS & MANGE

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS, REGULATIONS, AND CONTRACTS

Board of Commissioners
Monterey Fire Protection District
No. 1 of Concordia Parish
Monterey, Louisiana

We have audited the component unit financial statements of Monterey Fire Protection District No. 1 of Concordia Parish as of December 31, 1998, and for the two year period then ended, and have issued our report thereon dated September 3, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. These standards and the audit guide require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to Monterey Fire Protection District No. 1 of Concordia Parish, in the reasonable assurance about whether the component unit financial statements are free of material misstatement, we performed tests of Monterey Fire Protection District No. 1's compliance with certain provisions of laws, regulations and contracts. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, or contracts that cause us to conclude that the aggregation of the misstatements resulting from these failures or violations is material to the component unit financial statements. The results of our tests of compliance disclosed the following instances of non compliance.

1. Need to Adopt Budgets for the General Fund

Findings: The fire district did not adopt Annual Budgets for the General Fund as required by state law. Louisiana Revised

Board of Commissioners
Monterey Fire Protection District
No. 1 of Concordia Parish
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Statutes 18:11301-11318 require that the district adopt an annual budget for its general fund. The district's failure to adopt a budget materially impairs its ability to adequately control expenditures of the district.

Recommendation: The district should adopt a budget for its General Fund as required by law. Further, the district should utilize that adopted budget to control the financial operations of the district.

3. Need to File Annual Report With Legislative Auditor

Finding: The district has not filed its annual report with the Legislative Auditor's Office. Louisiana Revised Statute 24:114(A) requires the district to file annual sworn financial statements with the Legislative Auditor within 90 days of the end of its fiscal year. We could find no indication that such financial statements were filed for the year 1998. Also the audit report for 1998-1999 was filed subsequent to six months after year end as required by law.

Recommendation: The district should prepare annual financial statements and provide a copy of those financial statements, along with the proper certification, to the Legislative Auditor.

This report is intended for the information of the board of commissioners of the Monterey Fire Protection District No. 1 of Concordia Parish and management of the district. This is not intended to limit the distribution of this report, which is a matter of public record.

Ferrybay, Louisiana
September 2, 1997

Switzer Hopkins & Moore

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MEMBER AICPA, CPA, CMA, CFPS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Monterey Fire Protection District
No. 1 Concordia Parish
Monterey, Louisiana

We have audited the general purpose financial statements of the Monterey Fire Protection District No. 1 of Concordia Parish as of and for the year ended December 31, 1988, and for the two years then ended and have issued our report thereon dated September 2, 1987.

We have conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Monterey Fire Protection District No. 1 of Concordia Parish is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Board of Commissioners
Monterey Fire Protection District
No. 1 Concordia Parish
Page Two

In planning and performing our audit of the general purpose financial statements of the Monterey Fire Protection District No. 1, for the year ended December 31, 1988 and the two years then ended, we obtained an understanding of the internal control structure. With respect to the the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operating, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matter involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. A reportable condition involves a matter coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

FINDINGS

1. It was noted that deposits are not being made timely. Melitzer, Hopkins and Hange recommends funds being deposited on the date of receipt.
2. We noted that the Monterey Fire District No. 1 does not have adequate segregation of duties in accounting in the office. We recommend that an attempt be made to strengthen internal control problems created by having few employees.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

Board of Commissioners
Newberry Fire Protection District
No. 1 Concordia Parish
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This report is intended for management and the legislative auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Farriday, Louisiana
August 28, 1987

Switzer, Hopkins & Brang