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DESDOU PARISH FIRE DISTRICT NO. 3
Sassaparilla, Louisiana

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1999**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the entity and minor appropriate public officials. This report is available for public inspection at the Desdrou Paroisse office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: June 5, 2000

**VERNON R
COON**
LEGISLATIVE AUDITOR

IBISOLO PARISH FIRE DISTRICT NO. 3
Bossier Parish, Louisiana

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1999**

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Independent Auditor's Report

**BOARD OF COMMISSIONERS
DE SOUS PARISH FIRE DISTRICT NO. 3
Newhall, Louisiana**

I have audited the general purpose financial statements of the DeSous Parish Fire District No. 3, as of December 31, 1999, and for each of the years in the two-year period then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the DeSous Parish Fire District No. 3. 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 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 in the first paragraph present fairly, in all material aspects, the financial position of the DeSous Parish Fire District No. 3, as of December 31, 1999, 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.

In accordance with Government Auditing Standards, I have also issued a report dated May 16, 2000, on DeSous Parish Fire District No. 3's compliance with laws, regulations, and contracts, and my consideration of the agency's internal control over financial reporting. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

West Monroe, Louisiana
May 31, 2000

VERNON R. COON
CERTIFIED PUBLIC ACCOUNTANT

OFFICE OF ACCOUNTING
1001 PINE STREET
MONROE, LOUISIANA

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

114 PINE STREET, SUITE 200
NEW ORLEANS,
LOUISIANA 70112
PHONE 504.586.6100
FAX 504.586.6100

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

INSGO PARISH FIRE DISTRICT NO. 3
Bossier, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1999

	ACCOUNT GROUPS		TOTAL MEMORANDUM (099.7)
	GOVERNMENTAL FUND TYPE - GENERAL FUNDS	GENERAL FUND - ASSETS	
ASSETS			
Cash and cash equivalents	\$18,817		\$18,817
Receivables - property assessments	144,313		144,313
Land, buildings, and equipment		\$792,335	792,335
Amounts to be provided for retirement of general long-term debt			183,859
TOTAL ASSETS	<u>\$163,130</u>	<u>\$792,335</u>	<u>\$1,179,324</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$1,479		\$1,479
Payroll liabilities payable	920		920
Capital leases payable		\$183,859	183,859
Total Liabilities	<u>2,399</u>	<u>NONE</u>	<u>186,259</u>
Fund Equity:			
Investment in general fixed assets		\$792,335	792,335
Fund balance - unreserved - undesignated	160,735		160,735
Total Fund Equity	<u>160,735</u>	<u>792,335</u>	<u>953,070</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$163,130</u>	<u>\$792,335</u>	<u>\$1,179,324</u>

The accompanying notes are an integral part of this statement.

DESDO PARISH FIRE DISTRICT NO. 3
 Bossier, Louisiana
 GOVERNMENTAL FUND TYPE

Statement of Revenues, Expenditures,
 and Changes in Fund Balance
 For the Two Years Ended December 31, 1999, By Year

	<u>1999</u>	<u>1998</u>
REVENUES		
Intergovernmental - state funds:		
Fire insurance rebate	\$9,888	\$9,381
Other state grants		811
Fire protection services charge	89,631	144,448
Use of money and property - interest earnings	3,045	3,696
Other revenues	1,700	2,108
Total revenues	<u>\$105,867</u>	<u>199,444</u>
EXPENDITURES		
Public safety:		
Current:		
Personal services and related benefits	21,178	16,941
Operating services	87,350	74,607
Materials and supplies	12,186	9,470
Travel and other charges	6,015	4,325
Capital outlay	189,626	83,163
Debt service	\$8,747	9,681
Total expenditures	<u>\$375,082</u>	<u>198,187</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(272,015)	(98,753)
OTHER FINANCING SOURCE		
Increase in capital lease	176,768	70,000
EXCESS (Deficiency) OF REVENUES AND OTHER FINANCING SOURCE OVER EXPENDITURES	(95,247)	31,247
FUND BALANCE AT BEGINNING OF YEAR	<u>258,582</u>	<u>224,738</u>
FUND BALANCE AT END OF YEAR	<u>\$160,735</u>	<u>\$255,982</u>

The accompanying notes are an integral part of this statement.

THURSTON PARISH FIRE DISTRICT NO. 1
Bossier, Louisiana
GOVERNMENTAL FUND TYPE

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

	1999			1998		
	BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
REVENUES						
Intergovernmental revenue - state funds:						
Fire insurance rebate	\$0,000	\$0,000	(\$00)	\$0,000	\$0,176	\$0,176
Other state funds					811	811
Fire protection services charge	128,000	132,607	4,607	98,000	123,995	25,995
Use of money and property - interest earnings		2,000	2,000		2,000	2,000
Other revenues		2,700	2,700		2,808	2,808
Total revenues	<u>128,000</u>	<u>136,307</u>	<u>8,307</u>	<u>98,000</u>	<u>128,980</u>	<u>30,980</u>
EXPENDITURES						
Public Safety:						
Current:						
Personnel services and related benefits	21,000	20,400	1,500	17,000	17,070	500
Operating services	89,250	90,000	(8,750)	100,012	97,209	28,763
Materials and supplies	11,000	12,100	(1,800)	4,900	10,110	(5,710)
Travel and other charges	6,800	6,800	1,800	6,500	4,525	2,175
Capital outlay		300	(300)		1,400	(1,400)
Total services	<u>108,050</u>	<u>109,600</u>	<u>9,050</u>	<u>128,412</u>	<u>129,314</u>	<u>(1,400)</u>
Total expenditures	<u>108,050</u>	<u>109,600</u>	<u>9,050</u>	<u>128,412</u>	<u>129,314</u>	<u>(1,400)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>20,000</u>	<u>26,707</u>	<u>8,657</u>	<u>(30,412)</u>	<u>9,670</u>	<u>(50,080)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>00,000</u>	<u>30,110</u>	<u>30,110</u>	<u>30,000</u>	<u>61,500</u>	<u>31,500</u>
FUND (Deficit) BALANCES AT END OF YEAR	<u>\$0,000</u>	<u>\$56,817</u>	<u>\$56,817</u>	<u>\$-41,412</u>	<u>\$71,170</u>	<u>(140,574)</u>

The accompanying notes are an integral part of this statement.

DELSOTO PARISH FIRE DISTRICT NO. 3
Senswell, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DeSoto Parish Fire District No. 3 was created by the DeSoto Parish Police Jury, as authorized by Louisiana Revised Statute 48:1492 on July 22, 1987. 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 DeSoto Parish Police Jury is the financial reporting entity for DeSoto 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 DeSoto 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.

DEFOURS PARISH FIRE DISTRICT NO.3
Stonewall, 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 DeFours 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 DeFours 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 fund 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.

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. Approximately 94 per cent of general fixed assets are valued at actual cost while the remaining 6 per cent are valued at net insured cost, based on the actual historical cost of like items. 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, certificates of indebtedness and capital leases 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.

B. 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.

BOSSCO PARISH FIRE DISTRICT NO.3
 Stonovall, Louisiana
 Notes to the Financial Statements (Continued)

Based on the above criteria, property assessments 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.

K. BUDGET PRACTICES

A preliminary budget for the coming 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 cash basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditures. 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.

Annual 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. The following schedule reconciles the excess of revenues and other sources over expenditures and other uses as shown on the budget comparison Statement C (Cash Basis) to the same amounts shown on Statement B (GAAP basis).

	<u>1999</u>	<u>1998</u>
Excess of revenues and other sources over expenditures and other uses (Cash Basis)	(\$51,314)	\$8,802
Adjustments:		
Receivables	143,186	20,484
Payables	173	1,971
Payroll liabilities	<u>(928)</u>	
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$85,207</u>	<u>\$31,257</u>

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, 1999, the district has cash and cash equivalents (book balances) totaling \$18,817, follows:

Demand deposits	\$7,392
Money cash	90
Time deposits	<u>11,425</u>
Total	<u>\$18,817</u>

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. Deposit balances (book balances) at December 31, 1999, total \$19,463, and are fully secured by federal deposit insurance.

G. VACATION AND SICK LEAVE

Employees are granted from 1 to 3 weeks of vacation per year depending on length of service. In addition, employees are granted 12 days of sick leave each year. Sick leave may be accumulated to a maximum of 25 days. At December 31, 1999, there are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure.

The cost of leave privileges, computed in accordance with GASB Codification Section 668, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

MISSOURI PARISH FIRE DISTRICT NO. 3

Baton Rouge, Louisiana

Notes to the Financial Statements (Continued)**II. RISK MANAGEMENT**

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the fire district maintains commercial insurance policies covering property, general liability, employee dishonesty, and workers compensation insurance. 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, 1998.

I. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (reviewed) 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 consolidated item.

3. CHANGES IN GENERAL, FIXED ASSETS

The following presents the changes in general fixed assets for the two years ended December 31, 1999:

	<u>Balance</u> <u>January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u>
1998:				
Land and buildings	\$128,152			\$128,152
Equipment	382,783	383,162		765,945
Total	<u>511,935</u>	<u>383,162</u>	<u>NONE</u>	<u>895,097</u>
1999:				
Land and buildings	\$128,152	\$7,690		\$135,842
Equipment	475,947	181,286	(51,000)	606,233
Total	<u>604,099</u>	<u>\$188,976</u>	<u>(51,000)</u>	<u>742,075</u>

DESIDO PARISH FIRE DISTRICT NO.3
 Simonsville, 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 two years ended December 31, 1999:

Lease payable at January 1, 1998	NONE
Additions:	
1998	\$70,000
1999	176,568
Reductions:	
1998	(7,891)
1999	<u>(24,918)</u>
Lease payable at December 31, 1999	<u>\$183,859</u>

The district records items under capital leases as an asset and an obligation in the accompanying financial statements. Capital leases at December 31, 1999, are comprised of the following:

Lease-purchase agreement for the purchase of a 1987 Kenworth truck and a 1988 International truck entered into on June 23, 1988, due in 48 monthly installments of \$1,615 through June, 2003. Lease payments are made from the General Fund.

Lease-purchase agreement for the purchase of a 1999 Eavest TSS Special Rescue truck entered into on March 22, 1999, due in 5 annual installments of \$39,364 through May, 2003, with an interest rate of 5.35 per cent per annum. Lease payments are made from the General Fund.

The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 1999:

Year	Payments
2000	\$58,747
2001	58,747
2002	49,855
2003	39,364
Total minimum lease payments	<u>\$205,913</u>
Less - amount representing interest	<u>(22,054)</u>
Present value of net minimum lease payments	<u>\$183,859</u>

IBBOTO PARISH FIRE DISTRICT NO.3
Burrwood, Louisiana
Notes to the Financial Statements (Continued)

5. PENSION SYSTEM

The district has one full-time employee who participates in the social security system. The employer contributes 7.65% of her total salary to social security (FICA and Medicare) which is matched by employee contributions. For the two years ended December 31, 1999, employee contributions were \$1,200, and \$996 respectively. Total salaries paid for 1999, were \$19,356 and for 1998 salaries were \$15,368. The district does not guarantee the benefits granted by the Social Security System.

6. LITIGATION AND CLAIMS

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

**Independent Auditor's Reports Required
by Government Auditing Standards**

The following independent auditor's reports on compliance with laws and regulations and internal control over financial reporting 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.



**Independent Auditor's Report on Compliance and
Internal Control Over Financial Reporting**

**BOARD OF COMMISSIONERS
DESO TO PARISH FIRE DISTRICT NO. 3
Slatersville, Louisiana**

I have audited the general purpose financial statements of the DeSoto Parish Fire District No. 3 as of and for the two years ended December 31, 1999 ended and have issued my report thereon dated May 31, 2000. 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 DeSoto Parish Fire District No. 3's 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 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the DeSoto Parish Fire District No. 3's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

**THE PROFESSIONAL FIRM:
VERNON R. COON,
LOUISIANA STATE
CHARTERED ACCOUNTANT
PUBLIC ACCOUNTANT
1001 PINE STREET
LAFAYETTE, LOUISIANA 70501
504.281.8800**

BOARD OF COMMISSIONERS
DESOLO PARISH FIRE DISTRICT NO.3
Stonewall, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 1999

This report is intended solely for the information and use of the DeSoto Parish Fire District No. 3 and management of the district's office and is not intended to be and should not be used by anyone other than those specified parties.



West Monroe, Louisiana
May 31, 2000

DELSO PARIKH FIRE DISTRICT NO.3
Monroe, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Delso-Pariakh Fire District No.3.
2. No instances of noncompliance material to the financial statements of Delso-Pariakh Fire District No.3 were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

DELSUD PARISH FIRE DISTRICT NO. 3
Stonewall, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1999

There were no audit findings reported in the audit for the two years ended December 31, 1997.