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**ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3**

Grant, Louisiana

Financial Report

Years ended December 31, 1999 and 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and to the 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 JUL 19 2000

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**INDEPENDENT AUDITORS' REPORT**

**Board of Commissioners**  
**Allen Parish Fire Protection District No. 3**  
**Grant, Louisiana**

We have audited the accompanying general purpose financial statements of the Allen Parish Fire Protection District No. 3, a component unit of the Allen Parish Police Jury, as of and for the years ending December 31, 1999 and 1998. These general purpose financial statements are the responsibility of the Allen Parish Fire Protection District No. 3 management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our 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. 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. 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Allen Parish Fire Protection District No. 3, as of December 31, 1999 and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated June 23, 2000 on our consideration of Allen Parish Fire Protection District No. 3's internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts and grants.

***Kolder, Champagne, Slaven & Rainey, LLC***

Certified Public Accountants

Oberlin, Louisiana  
June 23, 2000

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**GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS OVERVIEW)**

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3  
Grant, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups  
December 31, 1999

	Governmental Fund Types			Account Groups		Totals (Memo Only)
	General	Debt Service	Capital Projects	General Fixed Assets	General Long-Term Debt	
<b>ASSETS AND OTHER DEBITS</b>						
Cash and interest-bearing deposits	\$ 52,051	\$ -	\$ 343,806	\$ -	\$ -	\$ 395,857
Receivables -						
Ad valorem taxes, net	37,877	49,241	-	-	-	87,118
Due from other funds	-	9,255	12,972	-	-	22,227
Fixed assets	-	-	-	178,333	-	178,333
Amount available in debt service funds	-	-	-	-	48,938	48,938
Amount to be provided for retirement of general long-term obligations	-	-	-	-	401,062	401,062
<b>Total assets and other debits</b>	<b>\$ 89,928</b>	<b>\$ 58,496</b>	<b>\$ 356,778</b>	<b>\$ 178,333</b>	<b>\$ 450,000</b>	<b>\$ 1,133,535</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ 14,221	\$ -	\$ -	\$ 14,221
Due to other funds	12,669	9,558	-	-	-	22,227
General obligation bonds payable	-	-	-	-	450,000	450,000
<b>Total liabilities</b>	<b>12,669</b>	<b>9,558</b>	<b>14,221</b>	<b>-</b>	<b>450,000</b>	<b>486,448</b>
<b>Fund equity:</b>						
Investment in general fixed assets	-	-	-	178,333	-	178,333
Fund balances						
Reserved for debt service	-	48,938	-	-	-	48,938
Designated	-	-	342,557	-	-	342,557
Unreserved, undesignated	77,259	-	-	-	-	77,259
<b>Total fund equity</b>	<b>77,259</b>	<b>48,938</b>	<b>342,557</b>	<b>178,333</b>	<b>-</b>	<b>647,087</b>
<b>Total liabilities and fund equity</b>	<b>\$ 89,928</b>	<b>\$ 58,496</b>	<b>\$ 356,778</b>	<b>\$ 178,333</b>	<b>\$ 450,000</b>	<b>\$ 1,133,535</b>

The accompanying notes are an integral part of this statement.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3  
Grant, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -  
All Governmental Fund Types  
Year Ended December 31, 1999

	Governmental Fund Types			Totals	
	General	Debt Service	Capital Projects	(Memorandum Only)	
				1999	1998
<b>Revenue:</b>					
Ad valorem taxes	\$ 38,230	\$ 50,981	\$ -	\$ 89,211	\$ 88,358
Grant Revenue	-	-	-	-	25,000
Interest	2,951	103	19,440	22,494	17,302
Miscellaneous	-	-	74	74	-
Total revenues	<u>41,181</u>	<u>51,084</u>	<u>19,514</u>	<u>111,779</u>	<u>130,660</u>
<b>Expenditures:</b>					
Current -					
Accounting	1,200	-	-	1,200	-
Advertising	400	-	1,317	1,717	916
Bank service charges	-	-	-	-	283
Insurance	674	-	-	674	623
Office supplies	153	-	-	153	251
Postage	57	-	-	57	28
Utilities	178	-	-	178	-
Capital outlay	-	-	146,667	146,667	29,516
Debt service -					
Principal	-	10,000	-	10,000	-
Interest and fiscal charges	-	40,549	-	40,549	873
Total expenditures	<u>2,662</u>	<u>50,549</u>	<u>147,984</u>	<u>201,195</u>	<u>32,490</u>
Excess (deficiency) of revenues over expenditures	<u>38,519</u>	<u>535</u>	<u>(128,470)</u>	<u>(89,416)</u>	<u>98,170</u>
<b>Other financing sources:</b>					
Proceeds from issuance of debt	-	-	-	-	460,000
Excess (deficiency) of revenues and other sources over expenditures	<u>38,519</u>	<u>535</u>	<u>(128,470)</u>	<u>(89,416)</u>	<u>558,170</u>
Fund balances, beginning	<u>38,740</u>	<u>48,403</u>	<u>471,027</u>	<u>558,170</u>	<u>-</u>
Fund balances, ending	<u>\$ 77,259</u>	<u>\$ 48,938</u>	<u>\$ 342,557</u>	<u>\$ 468,754</u>	<u>\$ 558,170</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3  
Grant, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual - All Governmental Fund Types  
Year Ended December 31, 1999

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Ad valorem taxes	\$ 39,000	\$ 38,230	\$ (770)
Interest	2,700	2,951	251
Miscellaneous	-	-	-
Total revenues	41,700	41,181	(519)
Expenditures:			
Current -			
General Government:			
Advertising	480	400	80
Insurance	1,000	674	326
Legal and accounting	1,400	1,200	200
Office supplies	250	153	97
Postage	100	57	43
Utilities	75	178	(103)
Total general government	3,305	2,662	643
Capital outlay	-	-	-
Debt service -			
Interest and fiscal charges	-	-	-
Total expenditures	3,305	2,662	643
Excess (deficiency) of revenues over expenditures	38,395	38,519	124
Fund balances, beginning	38,740	38,740	-
Fund balances, ending	\$ 77,135	\$ 77,259	\$ 124

The accompanying notes are an integral part of this statement.

Debt Service Fund			Capital Projects Fund		
<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
\$ 49,250	\$ 50,981	\$ 1,731	\$ -	\$ -	\$ -
-	103	103	18,400	19,440	1,040
-	-	-	-	74	74
<u>49,250</u>	<u>51,084</u>	<u>1,834</u>	<u>18,400</u>	<u>19,514</u>	<u>1,114</u>
-	-	-	1,600	1,317	283
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	<u>1,600</u>	<u>1,317</u>	<u>283</u>
-	-	-	<u>147,067</u>	<u>146,667</u>	<u>400</u>
<u>50,942</u>	<u>50,549</u>	<u>393</u>	-	-	-
<u>50,942</u>	<u>50,549</u>	<u>393</u>	<u>148,667</u>	<u>147,984</u>	<u>683</u>
<u>(1,692)</u>	<u>535</u>	<u>2,227</u>	<u>(130,267)</u>	<u>(128,470)</u>	<u>1,797</u>
<u>48,403</u>	<u>48,403</u>	<u>-</u>	<u>471,027</u>	<u>471,027</u>	<u>-</u>
<u>\$ 46,711</u>	<u>\$ 48,938</u>	<u>\$ 2,227</u>	<u>\$ 340,760</u>	<u>\$ 342,557</u>	<u>\$ 1,797</u>



## ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3

### Notes to Financial Statements

#### (1) Summary of Significant Accounting Policies

##### A. Nature of Business

Allen Parish Fire Protection District No. 3 was created under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the citizens of Ward 4 of Allen Parish. The district is governed by a board of commissioners composed of five members appointed by the Allen Parish Police Jury.

The accompanying general purpose financial statements of the Allen Parish Fire Protection District No. 3 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. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen 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 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 for determining which component units should be considered part of the Allen 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 organizations' 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 compose 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. 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.

## ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3

### Notes to Financial Statements (Continued)

Because the police jury appoints all members to the governing body and has the ability to impose its will on the District, the District was determined to be a component unit of the Allen 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 the governmental unit, or the other governmental units that comprise the financial reporting entity.

#### C. Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Account groups are a reporting device used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The various funds and account groups are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

##### Governmental Fund Types -

###### General Fund –

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

###### Debt Service Fund –

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, *general long-term debt principal, interest, and related costs.*

###### Capital Projects Fund –

The Capital Projects Fund is used to account for financial resources received and used for the acquisition, construction or improvement of capital facilities and equipment not reported in the other governmental funds.

##### Account Groups -

###### General Fixed Assets Account Group -

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes.

###### General Long-Term Debt Account Group -

This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds.

## ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3

### Notes to Financial Statements (Continued)

#### D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reports in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

#### E. Fixed Assets and Long-Term Liabilities

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

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

All purchased fixed assets are stated at historical cost or estimated historical costs if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

Long term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

#### F. Budget and Budgetary Accounting

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

1. Prior to December 15, the Treasurer submits to the Chairman and Board of Commissioners a proposed operating budget for the period commencing the following January 1.

## ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3

### Notes to Financial Statements (Continued)

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and the completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Commissioners.

#### G. Comparative Data

Comparative total 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. However comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

#### II. Due To and Due From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

#### I. Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. 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.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) 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 equal the amount on deposit

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3

Notes to Financial Statements (Continued)

with the fiscal agent. At December 31, 1999 the District had \$395,857 in deposits (collected bank balances). Deposits of \$100,000 were secured from risk by federal deposit insurance and \$295,857 were secured by pledged securities.

J. Total Columns on Statements

Total columns on the financial statements are captioned "memorandum only" to indicate that they are 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. Interfund eliminations have not been made in the aggregation of this data.

(2) Ad Valorem Taxes

Property tax millage rates are adopted in December for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15<sup>th</sup> of the current year, and become delinquent after December 31<sup>st</sup>. Property taxes not paid by the end of February are subject to lien.

For the year ended December 31, 1999, taxes of 23.00 mills were levied on property with taxable assessed valuations totaling \$3,906,640 and were dedicated as follows:

Maintenance	10.00 mills
Bond sinking	13.00 mills

Total taxes levied were \$89,853. Taxes receivable at December 31, 1999 were \$87,118.

(3) Interfund Receivables and Payables

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ -	\$ 12,669
Debt Service Fund	9,225	9,558
Capital Projects Fund	<u>12,972</u>	<u>-</u>
Totals	<u>\$ 22,227</u>	<u>\$ 22,227</u>

(4) General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Beginning Balance</u>	<u>Net Additions</u>	<u>Net Deletions</u>	<u>Ending Balance</u>
Buildings & Improvements	\$ -	\$ 176,183	\$ -	\$ 176,183
Land	-	2,150	-	2,150
Construction in Process	<u>29,516</u>	<u>-</u>	<u>29,516</u>	<u>-</u>
Totals	<u>\$ 29,516</u>	<u>\$ 178,333</u>	<u>\$ 29,516</u>	<u>\$ 178,333</u>

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3

Notes to Financial Statements (Continued)

(5) General Long-Term Debt

A. Debt Outstanding

Bonds payable at December 31, 1999 is comprised of the following issue:

\$460,000 general obligation bonds dated April 1, 1998 due in annual installments of \$10,000 to \$45,000 through April 1, 2013; interest at 4.2% to 5.2% (this issue secured by levy and collection of ad valorem taxes)	<u>\$ 450,000</u>
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The following is a summary of the long-term debt transactions during the year:

Long-term debt payable at December 31, 1998	\$ 460,000
Additions	-
Deductions	<u>(10,000)</u>
Long-term debt payable at December 31, 1999	<u>\$ 450,000</u>

B. Debt Service Requirements to Maturity

The annual requirements to amortize all debt outstanding at December 31, 1999, including interest payments of \$170,374 are as follows:

Year Ending December 31,	Total
2000	\$ 40,543
2001	44,598
2002	43,548
2003	42,498
2004	46,343
2005-2009	221,020
2010-2013	<u>181,824</u>
	<u>\$ 620,374</u>

(6) Risk Management

The District is exposed to various risks of loss related to torts; theft of damage to destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

(7) Pending Litigation

There are no lawsuits pending against the District involving monetary liability at December 31, 1999.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3

Notes to Financial Statements (Continued)

(8) Reserved Fund Equity

Reservations of equity show amounts that are not appropriate for expenditure or are legally restricted for specific uses. The purpose for each is indicated by the account title on the face of the balance sheet.

**INTERNAL CONTROL  
AND  
COMPLIANCE**



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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  
Allen Parish Fire Protection District No. 3  
Grant, Louisiana

We have audited the general purpose financial statements of Allen Parish Fire Protection District No. 3, a component unit of the Allen Parish Police Jury, as of December 31, 1999 and for the two years then ended, and have issued our report thereon dated June 23, 2000. We conducted our 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 Allen Parish Fire Protection District No. 3's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 our audit and, accordingly, we do not express such an opinion. The results of our 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 our audit, we considered Allen Parish Fire Protection District No. 3's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. This reportable condition is described as 99-1 (IC) in the accompanying summary schedule of current and prior year audit findings and corrective action plan.

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Phone (337) 893-7944  
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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. Our 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, we believe the reportable condition described above is a material weakness.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

***Kolder, Champagne, Slaven & Rainey, LLC***

Certified Public Accountants

Oberlin, Louisiana  
June 23, 2000

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3

Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan  
Year Ended December 31, 1999

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (12/31/99)</u>						
<u>Internal Control</u>						
99-1 (IC)	Unknown	Due to the small number of volunteers, the district did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary	Craig Ray Hill Chairman	N/A
<u>PRIOR YEAR (12/31/98)</u>						
<u>Compliance</u>						
4	12/31/98	Management did not adopt a formal budget required by LSA - R.S. 39:1301 - 14.	Resolved	N/A	Craig Ray Hill Chairman	