

Board of Directors
Fifth Ward Volunteer Fire Department, Inc.
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My 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. I believe the reportable conditions described above are a material weakness.

A separate Management letter has not been issued.

This report is intended for the information of management and the legislative auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Kenneth G. Randa
Bossier, Louisiana
June 28, 1997

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.

For the purpose of this report, I have classified the significant (internal) control structure policies and procedures in the following categories:

- Cash
- Governmental revenue and receivables
- Expenditures for goods and services and accounts payable
- Property, equipment and capital expenditures

For all of the control categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

I noted a certain matter involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

1. Deficiencies in control structure design:

- A. Inadequate segregation of duties-The Corporation does not have a proper segregation of duties. This weakness is due to the small size of the corporation and, therefore, its inability to prevent overlapping of duties.

Response: No response is necessary.

A material weakness is a reportable condition in which the design or operation of the specific 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 component unit 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.

Board of Directors
Fifth Ward Volunteer Fire Department, Inc.
Page 2

Violation R.S. 9: 411881-4 Approval of Long-Term Debt by the State
Bond Commission

Finding:

The Corporation was in noncompliance with the above Statute as a result of borrowing funds from a local bank to be repaid over a period of approximately 3 years without the approval of the State Bond Commission. The loan was repaid within one year since funds were available.

Recommendation:

Before borrowing funds, the District should contact the State Bond Commission to insure adherence of the law.

Response:

Management has been made aware of the law and will obtain approval from the state Bond Commission.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Kenneth G. Paulak

Shreveport, Louisiana
June 26, 1997



Kenneth J. Rachal

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INDEPENDENT AUDITOR'S REPORT ON THE COMPONENT UNIT FINANCIAL STATEMENTS

Board of Directors
Fifth Ward Volunteer Fire Department, Inc.
Marksville, Louisiana

I have audited the accompanying component unit financial statements of Fifth Ward Volunteer Fire Department, Inc., Marksville, Louisiana, a component unit of the Assoulay Parish Police Jury, as of December 31, 1986 and for the year then ended. These component unit financial statements are the responsibility of Fifth Ward Volunteer Fire Department, Inc.'s management. My responsibility is to express an opinion on these component unit financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and MANAGEMENT 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 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 component unit financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of Fifth Ward Volunteer Fire Department, Inc., Marksville, Louisiana, as of December 31, 1986, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Kenneth J. Rachal

Monroe, Louisiana
June 28, 1987



Kenneth J. Rachal

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS BASED ON AN AUDIT OF COMPONENT UNIT
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

Board of Directors
Fifth Ward Volunteer Fire Department, Inc.
Marksville, Louisiana

I have audited the component unit financial statements of Fifth Ward Volunteer Fire Department, Inc., Marksville, Louisiana, for the year ended December 31, 1996, and have issued my report thereon dated June 28, 1997.

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 component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Fifth Ward Volunteer Fire Department, Inc., Marksville, Louisiana, is the responsibility of Fifth Ward Volunteer Fire Department, Inc., Marksville, Louisiana, management. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, I performed tests of Fifth Ward Volunteer Fire Department, Inc.'s compliance with certain provisions of laws, regulations, and contracts. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests indicate that, with respect to the items tested, Fifth Ward Volunteer Fire Department, Inc., Marksville, Louisiana, complied, in all material respects, with the provisions referred to in the preceding paragraph, except as indicated below.

<u>Account Group</u>	<u>Totals</u>
<u>General Fixed Assets</u>	<u>Memorandum Only</u>
\$ -	\$ 1,888
-	30,288
-	2,850
<u>138,068</u>	<u>138,818</u>
\$ 138,068	\$ 161,982
*****	*****
\$ -	\$ 282
-	282
<u>138,068</u>	<u>138,818</u>
-	2,850
-	31,582
-	28,822
<u>138,068</u>	<u>161,788</u>
\$ 138,068	\$ 161,982
*****	*****

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
 MOBILES PARISH POLICE JURY
 MARKSVILLE, LOUISIANA

GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GRAN BASIS) AND ACTUAL
 For the Year Ended December 31, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 28,000	\$ 29,000	\$ 5,000
Intergovernmental	8,200	8,200	0
Total Revenues	36,200	37,200	5,000
EXPENDITURES			
Current Operating			
Public Safety			
Supplies	4,000	3,600	300
Repairs	5,000	4,800	100
Fuel expense	1,000	800	100
Training	1,000	1,000	0
Miscellaneous	600	300	300
Meeting expense	500	500	0
Utilities	500	450	50
Insurance	6,000	7,000	(1,000)
Audit	500	500	0
Capital Outlay	20,000	18,500	3,500
Debt Service	8,000	18,100	(10,100)
Total Operating Exp	48,100	58,200	(10,100)
EXCESS OF REVENUES OVER EXPENDITURES			
	(11,900)	(11,000)	5,000
OTHER FINANCING SOURCES (USES)			
Interest Income	100	100	0
Proceeds from loan	20,000	9,500	(10,500)
Miscellaneous Income	500	1,000	500
Total Other Financing Sources (Uses)	20,600	10,600	(10,000)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES			
	900	(1,400)	(2,300)
FUND BALANCE, Beginning			
	27,200	27,200	0
FUND BALANCE, Ending			
	\$ 28,100	\$ 25,800	\$ (2,300)

The accompanying notes are an integral part of this statement.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC

WYTELLES PARISH POLICE JURY
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fifth Ward Volunteer Fire Department, Inc., was incorporated on January, 1988 as a nonprofit corporation as defined in Louisiana Revised Statutes of N. E. 1990 Title 12, Chapter 3, as amended. The corporation operates under a Board of Directors consisting of a nine members, requiring five present to have a quorum. They are elected by the membership for two (2) year terms. The following is a summary of certain significant accounting policies.

Financial Reporting Entity. This report includes all funds which are controlled by or dependent on the Corporation executive and legislative branches (the President and Board of Directors). Control by or dependence on the corporation was determined; on the basis of budget adoption, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. Based on these criteria, the corporation has no component units. However, the corporation is a component unit of the Acyelles Parish Police Jury. The Jury has the ultimate authority to approve the issuance of debt, they may appoint some of the governing body and have general oversight responsibility over the corporation. Some funding is provided by self-designated fund-raising, however, the Acyelles Parish Police Jury provides approximately 92% of the funding.

Fund accounting. The accounts of the Corporation are organized on the basis of funds, which are considered a separate accounting entity. The operations of the Corporation are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. 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. The Corporation's fund is grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Governmental Fund Type

Special Revenue Fund. A Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
METEYER PARISH POLICE JURY
MONROEVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Groups

General Fixed Assets Account Group. The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Allowance for Bad Debts. The allowance method is used to recognize bad debts of accounts receivable. The allowance is determined based upon past history and the aging of accounts receivable as of year-end. At December 31, 1998, all receivables were deemed collectible.

Budgets and Budgetary Accounting. The corporation is required to formulate an operating budget. The budget was prepared based on information available at the time. The budget was prepared during 1998 for that year. Appropriations lapse at year end.

Inventories. Inventories are valued at cost utilizing the first-in, first-out method of valuation. At December 31, 1998 inventories consisted of materials used for repairs to equipment, however, the cost was considered immaterial.

Encumbrances. Encumbrances represent commitments related to unperformed contracts for goods and services. At December 31, 1998 there were no encumbrances outstanding.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
BOYCEVILLE PARISH POLICE JURY
MARRSVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 1996

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative Data. Comparative data for the prior year have not been presented in the accompanying financial statements.

Fixed Assets and Depreciation. General Fixed Asset Group-Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental fund types. No depreciation has been provided on such assets.

Property Taxes. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before December 31. All unpaid taxes become delinquent January 2 of the following year. The taxes are assessed by the Boyceville Parish Assessor's Office and collected by the Boyceville Parish Sheriff's Office. The taxes are then remitted to the Boyceville Parish Police Jury on behalf of Fire Protection District No. 2. The Corporation is one of 14 members in this District. After deducting a fee of \$20,000 to defray the expenses of the Board of Commissioners of the Fire Protection District, each member is guaranteed a base amount of \$25,000. Any remaining funds are distributed to the members on a basis of population served.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits. At year end, the carrying amount of the corporation's deposits was \$1,599 and the bank balance was \$2,312. Of the bank balance, \$2,312 was covered by federal depository insurance. Of this amount, \$580 was tax monies which is restricted to be expended on fire equipment and supplies.

Certificates of Deposit. The Corporation had no Certificates of deposit at December 31, 1996.

NOTE 3. ACCOUNTS RECEIVABLE

The billed receivable balance of December 31, 1996 of \$20,269 consisted of property taxes due from the Fire Protection District No. 2 in the amount of \$19,869, an appropriation from the Boyceville Parish Police Jury in the amount of \$300 and \$100 due from the State of Louisiana for rental of the fire station building during November of 1996.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
 AVOYSELLES PARISH POLICE JURY
 BARKSVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 December 31, 1986

NOTE 4. PROPERTY, PLANT AND EQUIPMENT

A summary of changes in Property, Plant and Equipment follows:

	Balance 12/31/84	Additions	Deletions	Balance 12/31/86
land and buildings	\$ 50,777	\$ -	\$ -	\$ 50,777
equipment	20,849	7,833	-	27,877
trucks	42,814	9,580	-	52,394
	\$ 114,440	\$ 17,413	\$ -	\$ 131,853

NOTE 5. RETIREMENT COMMITMENTS

Individuals who serve the Corporation are volunteers, therefore, there is no liability for retirement benefits.

NOTE 6. COMMITMENTS AND CONTINGENCIES

As of December 31, 1986 there were no lawsuits against the corporation.

NOTE 7. LEASE AGREEMENT

The Corporation entered into a lease to use a one acre tract of land with the Avoyelles Parish School Board which expires on March 4, 2000 or until the corporation ceases to use the property for a volunteer fire department. There is no cost to the Corporation except a requirement to maintain liability insurance on the premises.

NOTE 8. NOTES PAYABLE

On March 3, 1986, the Corporation entered into a loan agreement to borrow funds in the amount of \$18,000 bearing interest at the rate of 12% per annum. The loan was signed as a demand note on per loan agreement. The members passed a resolution agreeing to pay \$4,000 per year until paid in full. The funds were to be used to purchase another fire truck. Due to the cost of the truck purchased, the loan proceeds amounted to \$9,500. The loan was repaid in full with interest of \$600 on December 6, 1986.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON A FINANCIAL STATEMENT AUDIT CONDUCTED
IN ACCORDANCE WITH INDEPENDENT AUDITING STANDARDS

Board of Directors
Fifth Ward Volunteer Fire Department, Inc.,
Merkoville, Louisiana

I have audited the component unit financial statements of Fifth Ward Volunteer Fire Department, Inc., Merkoville, Louisiana, as of and for the year ended December 31, 1996, and have issued my report thereon dated June 26, 1997.

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 component unit financial statements are free of material misstatement.

In planning and performing my audit of the component unit financial statements of Fifth Ward Volunteer Fire Department, Inc. for the year ended December 31, 1996, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the component unit financial statements and not to provide assurance on the internal control structure.

The management of Fifth Ward Volunteer Fire Department, Inc. 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 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.

FIFTH WARD VOLUNTEER FIRE DEPARTMENT, INC.
 WYTHELAKS PARISH POLICE JURY
 MONROEVILLE, LOUISIANA

ALL FUND TYPES AND ACCOUNT GROUPS
 BALANCE SHEET
 December 31, 1986

	<u>Environmental Fund Type</u>
	<u>Special Revenue Fund</u>
ASSETS AND OTHER DEBITS	
Cash	
Demand Deposits	\$ 1,400
Accounts Receivable	28,300
Prepaid Insurance	1,050
Fixed Assets	-
Total Assets and Other Debits	\$ 31,914

LIABILITIES AND OTHER CREDITS AND FUND EQUITY	
LIABILITIES	
Accounts Payable	\$ 282
Total Liabilities	282
FUND EQUITY	
Investment in General Fixed Assets	-
Fund Balance	
Designated	2,000
Unreserved	21,502
Total Fund Balance	23,502
Total Fund Equity	23,502
TOTAL LIABILITIES AND OTHER CREDITS AND FUND EQUITY	\$ 31,914

The accompanying notes are an integral part of this statement.

FIFTH WARD VOLUNTARY FIRE DEPARTMENT, INC.
 WOLFLESS FURISH POLICE UNIT
 MONROEVILLE, LOUISIANA

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COMPONENT UNIT FINANCIAL STATEMENTS