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Release Date Aug 14 1987 J

**VERNON R
COON**
LEGISLATIVE AUDITOR

MOBILE PARISH FIRE DISTRICT NO. 5
Staley, Louisiana

**General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 1996**

DESOTO PARISH FIRE DISTRICT NO. 5
Stanley, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 1996

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Accountant's Compilation Report

BOARD OF COMMISSIONERS
DESOLO PARISH JURE DISTRICT NO. 5
Stony, Louisiana

I have compiled the accompanying general purpose financial statements, as listed in the foregoing table of contents, of the Desoto Parish Jure District No. 5 as of December 31, 1996, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

West Monroe, Louisiana
June 26, 1997

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DEBOTE PARISH FIRE DISTRICT NO. 5
Stanley, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Continued Balance Sheet, December 31, 1996

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCIDENT GROUP - GENERAL FUND ASSETS	TOTAL (MEMORANDUM)
ASSETS			
Cash	\$30,966		\$30,966
Receivables:			
Ad valorem taxes	48,320		48,320
State revenue sharing	2,872		2,872
Land, buildings, and equipment		\$347,018	\$347,018
TOTAL ASSETS	<u>\$82,158</u>	<u>\$347,018</u>	<u>\$429,176</u>
LIABILITIES AND FUND EQUITY			
Liabilities	\$301	\$298	\$599
Fund Equity:			
Investment in general fixed assets		\$347,018	\$347,018
Fund balance - unreserved - undesignated	\$1,857		\$1,857
Total Fund Equity	<u>\$1,857</u>	<u>\$347,018</u>	<u>\$348,875</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$82,158</u>	<u>\$347,018</u>	<u>\$429,176</u>

See accompanying notes and accountant's compilation report.

DESOUD PARRISH FIRE DISTRICT NO. 3
Stanley, Louisiana
GOVERNMENTAL FUND TYPE -
GENERAL FUND

Statement B

Statement of Revenues, Expenditures,
and Changes in Fund Balance -
For the Year Ended December 31, 1986

REVENUES	
Ad valorem taxes	\$29,536
Intergovernmental revenue:	
State funds:	
State revenue sharing	4,280
Fire insurance rebate	
Local funds - local grants	
Use of money and property - interest earnings	1,786
Other revenues	5,054
Total revenues	<u>\$30,580</u>
EXPENDITURES	
Public safety:	
Current:	
Operating services	15,475
Materials and supplies	2,907
Travel & other	1,285
Capital outlay	<u>\$1,950</u>
Total expenditures	<u>\$21,617</u>
EXCESS (deficiency) OF REVENUES OVER EXPENDITURES	(54)
FUND BALANCE AT BEGINNING OF YEAR	<u>\$1,800</u>
FUND BALANCE AT END OF YEAR	<u>\$1,847</u>

See accompanying notes and accountant's compilation report.

IBERICO PARISH FIRE DISTRICT NO. 5
 Stanley, Louisiana
 GOVERNMENTAL FUND TYPE -
 GENERAL FUND

Statement of Revenues, Expenditures,
 and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 1996

	BUDGET	ACTUAL	VARIANCE (FAVORABLE) (UNFAVORABLE)
REVENUES			
Ad valorem taxes	\$54,000	\$59,518	\$5,518
Intergovernmental revenues:			
State funds:			
State revenue sharing	4,500	4,250	(250)
Fire insurance rebate	3,500		(3,500)
Local funds - local grants			0
Use of money and property - interest earnings		1,766	1,766
Other revenues		5,054	5,054
Total revenues	<u>\$62,000</u>	<u>70,588</u>	<u>8,588</u>
EXPENDITURES			
Public safety:			
Current:			
Operating services	17,000	15,475	1,525
Materials and supplies	7,000	2,907	4,093
Travel & other	1,000	1,285	(285)
Capital outlay	34,000	50,955	(16,955)
Total expenditures	<u>\$58,000</u>	<u>70,622</u>	<u>(12,622)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	2,000	(34)	(2,034)
FUND BALANCE AT BEGINNING OF YEAR	<u>None</u>	<u>\$1,891</u>	<u>\$1,891</u>
FUND BALANCE AT END OF YEAR	<u>\$2,000</u>	<u>\$1,857</u>	<u>\$29,857</u>

See accompanying notes and accountant's compilation report.

DESOLO PARISH FIRE DISTRICT NO. 5
Stamley, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1996

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DeSoto Parish Fire District No. 5 was created by the DeSoto Parish Police Jury, as authorized by Louisiana Revised Statute 40:1493 on April 16, 1988. 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 for 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 responsibility. 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.

DEBOLE PARISH (FIRD) DISTRICT NO. 5

Starky, 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 DeBote 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 DeBote Parish financial reporting entity.

H. 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 governmental 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 fixed assets and general long-term obligations) that are not recorded in the "Fund" 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 in trust 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**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. Fixed assets are valued at actual historical costs. No depreciation has been provided on general fixed assets. Approximately 95 per cent of general fixed assets are valued at actual cost while the remaining 5 per cent are valued at estimated cost, based on the actual historical cost of like items. The account group is not a "fund." It is concerned only with the measurement of financial position and does not involve measurement of results of operations. There are no long-term obligations at December 31, 1996.

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 receivable 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 47:193 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.

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

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

Interest income on demand deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, ad valorem taxes and 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.

E. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared by the board of commissioners in November 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 modified accrual 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.

Formal 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.

F. CASH

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, 1996, the district has cash and cash equivalents (check balances) totaling \$30,968 as follows:

BOSSCO PARISH FIRE DISTRICT NO. 5
Stanley, Louisiana
Notes to the Financial Statements (Continued)

Demand deposits	\$20,966
Time deposits	<u>10,000</u>
Total	<u>\$30,966</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 (bank balances) at December 31, 1996, total \$30,967 and are fully secured by federal deposit insurance.

G. TOTAL COLUMN ON THE
BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAX

On April 16, 1988, voters of the district approved a 10 mill ad valorem tax to be used for operations of the district. The tax will expire with the 1997 tax roll. The authorized millage was levied and collected for 1996.

3. CHANGES IN GENERAL, FIXED ASSETS

The following presents the changes in general fixed assets for the year ended December 31, 1996:

	Balance January 1,	Additions	Deletions	Balance December 31,
Land and buildings	\$75,775			\$75,775
Fire fighting equipment	<u>315,842</u>			<u>315,842</u>
Total	<u>\$391,617</u>	<u>NONE</u>	<u>NONE</u>	<u>\$391,617</u>

IBERGOTI PARISH FIRE DISTRICT NO. 5
Stanley, Louisiana
Notes to the Financial Statements (Continued)

4. EXPENDITURES - ACTUAL AND BUDGET

For the year ended December 31, 1996, actual General Fund expenditures exceeded budgeted expenditures by \$11,822 or 20%.

5. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 1996, nor is it aware of any unasserted claims.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the Louisiana *Comptroller's Audit Guide* and the Louisiana *Attention Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

**BOARD OF COMMISSIONERS
DELSOTO PARISH FIRE DISTRICT NO. 5
Stanley, Louisiana**

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Delsoo Parish Fire District No. 5 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Delsoo Parish Fire District No. 5's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying *Louisiana Governmental Accounting*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2214 (the public bid law).

A review was made of all disbursement journals for the year. That review did not disclose any expenditures made for public works exceeding \$50,000. However, one expenditure was noted during the period under examination for materials and supplies exceeding \$5,000. The fire district was unable to provide documentation that bids were obtained on the purchase of a truck for \$25,000. I recommended that the board comply with the public bid law in the future.

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DEBOTO PARISH FIRE DISTRICT NO. 5
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1996

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1801-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

The district has no employees.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

As stated above, there are no employees.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on November 13, 1995 which indicated that the budget had been adopted by the Board of Commissioners of the DeBoto Parish Fire District No. 5 by a vote of all in favor and none opposed.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the final budgets to actual revenues and expenditures. Actual revenues did not fail to meet budgeted amounts by 5% or more. However, actual expenditures exceeded budgeted amounts by \$11,622 (20%) in 1996. LSA-RS 59:1509 requires the board to adopt a budget amendment when unfavorable

DESIPTO PARISH FIRE DISTRICT NO. 5
Independent Accountant's Report on
Applying Agreed Upon Procedures
December 31, 1990

variances exceed 5%. I recommend that the board monitor its budgets and adopt amendments when required.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:
- (a) trace payments to supporting documentation as to correct amount and payee;
 - (b) determine if payments were properly coded to the correct fund and general ledger account;
 - (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) Four of the six payments selected were for the proper amount as reflected on supporting documentation and were made to the correct payee. Two of the six selected disbursements was not supported by an invoice.
- (b) All six payments were coded to the correct fund and general ledger account.
- (c) Inspection of documentation supporting each of the six disbursements indicated approvals from the administrator and a board member. Further, the types of disbursements made were included in the district's approved budget.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the opening meetings law).

No agendas for the meetings were published or posted as required by LSA-RS 42:7. Management was not aware of the requirement that agendas for meetings be posted. I recommended that the agendas for all meetings be posted at least 24 hours prior to each meeting as required by the referenced statute. The posted notice should also include a notation stating the date it is posted.

DESOLO PARISH FIRE DISTRICT NO. 5
Independent Accountant's Report on
Applying Agreed Upon Procedures
December 31, 1996

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A review of the minutes of the board for the year indicated no approval for the payment. As discussed previously, the district has no employees however, my tests of the district's records disclosed no instances which would indicate payments to individuals which would constitute bonuses, advances, or gifts.

General

12. LRS 24:515 (B) (1) requires that the fire district maintain records of all land, buildings, improvements, furniture and equipment purchased by the fire district. The fire district was unable to provide this information for the year ended December 31, 1996.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the DeSoto Parish Fire District No. 5 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



West Monroe, Louisiana
June 26, 1997

Louisiana Attention Questionnaire

The accompanying Louisiana Attention Questionnaire has been completed by management and is included in this report as required by the questionnaire.

Vernon B. Coon
Certified Public Accountant
116 Professional Drive
West Monroe, La 71290

Mr. Coon,

In connection with your compilation of our financial statements of the DeBato Fire District No. 5 as of December 31, 1998 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of May 27, 1997.

PUBLIC BID LAW

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes No N/A

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. No employee or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1100-1124.

Yes No N/A

3. No member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under circumstances which would constitute a violation of LSA-RS 42:1119.

Yes No N/A

BUDGETING

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:63.

Yes No N/A

ACCOUNTING AND REPORTING

5. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No N/A

6. We have filed our annual financial statements in accordance with LSA-RS 34:514, LSA-RS 33:463, and/or LSA-RS 39:50, as applicable.

Yes No N/A

7. We have had our financial statements audited or compiled in accordance with LSA-RS 34:513.

Yes No N/A

MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes No N/A

DEBT

9. We have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 23 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.62.

Yes No N/A

ADVANCES AND BONUSES

10. We have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No N/A

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communication received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known non-compliance which may occur subsequent to the issuance of your report.

William M. Baker
Chairman

May 27, 1997
Date