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**FINANCIAL REPORT OF THE
ACRYLA-EMERSON-PURE PROTECTION DISTRICT
BATON, LOUISIANA
FOR THE YEAR ENDED
DECEMBER 31, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other 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 07 1998

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Acadia-Evangeline Fire Protection District
Bassile, Louisiana

I have audited the accompanying component unit financial statements that do not include a statement of revenues, expenditures, and changes in fund balance - budget and actual for the general fund type of the Acadia-Evangeline Fire Protection District, Bassile, Louisiana, a component unit of the Acadia and Evangeline Parish Police Juries, as of and for the year ended December 31, 1997, as listed in the table of contents. These component unit financial statements are the responsibility of the Acadia-Evangeline Fire Protection District'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. These 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.

The fire district did not adopt a budget for the general fund type for the year ended December 31, 1997, and, therefore, has not presented a statement of revenues, expenditures, and changes in fund balance - budget and actual for the general fund type for the year ended December 31, 1997 as required by generally accepted accounting principles.

In my opinion, except for the omission of the statement of revenues, expenditures, and changes in fund balance - budget and actual that results in an incomplete presentation as explained in the

preceding paragraph, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Acadia-Evangeline Fire Protection District, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated June 9, 1999 on my consideration of Acadia-Evangeline Fire Protection District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Michael W. Johnson

Michael W. Johnson
Certified Public Accountant

Opuscula, Louisiana
June 9, 1999

COMPONENT UNIT FINANCIAL STATEMENTS

(Combined Statements - Overview)

ADAMS-CORRELL, THE PROVISIONS SERVICE
CONDENSED BALANCE SHEET -
ALL FUND TYPES AND FUNDING SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>GOVERNMENTAL FUNDS</u>		<u>ACCOUNTS RECEIVABLE</u>	
	<u>GENERAL</u>	<u>OTHER SERVICES</u>	<u>GENERAL</u>	<u>OTHER</u>
	<u>FUND</u>	<u>FUND</u>	<u>ASSETS</u>	<u>LIAB</u>
<u>ASSETS AND OTHER DEBITS</u>				
ASSETS:				
Cash and cash equivalents	\$246,500	\$17,587	\$	\$
Receivables	98,883	66,821		
Land, building, and equipment			128,094	
Amounts to be provided for retirement of long-term debt	-----	-----	-----	133,688
TOTAL ASSETS AND OTHER DEBITS	<u>\$345,383</u>	<u>\$84,408</u>	<u>\$128,094</u>	<u>\$133,688</u>
<u>LIABILITIES, DEBITS, AND OTHER CREDITS</u>				
Liabilities:				
Accounts payable	\$-----	\$-----	\$-----	\$225,000
TOTAL LIABILITIES	<u>\$-----</u>	<u>\$-----</u>	<u>\$-----</u>	<u>\$225,000</u>
Equity and Other Credits:				
Investment in general fixed assets	\$	\$	\$228,194	\$
Fund balances:				
Reserved for debt service		\$2,208		
Unreserved-unassigned	133,175	-----	-----	-----
Total Equity and Other Credits	<u>\$133,175</u>	<u>\$2,208</u>	<u>\$228,194</u>	<u>\$-----</u>
TOTAL LIABILITIES, DEBITS, AND OTHER CREDITS	<u>\$133,175</u>	<u>\$2,208</u>	<u>\$228,194</u>	<u>\$225,000</u>

The accompanying notes are an integral part of this statement.

STATE SPENDING FOR PROTECTION AGAINST
CORRUPT ACTIVITIES OF GOVERNOR, MEMBERSHIP,
AND CHIEFS OF FINE BUREAU -
GOVERNMENTAL FINE FUND
FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>GOVERNMENTAL FINE</u>	
	<u>GENERAL FUND</u>	<u>GOVT SERVICE FUND</u>
REVENUES		
Ad valorem taxes	\$ 87,812	\$ 71,292
Intergovernmental revenues:		
State revenue sharing (net)	1,898	
Insurance rebates	5,887	
Interest earnings	2,581	
Total Revenues	<u>\$ 98,178</u>	<u>\$ 71,292</u>
EXPENDITURES		
Current Operating		
Bank charges	\$ 1,408	\$ 504
Pension expense	2,038	2,248
Dues	48	
Utilities	278	
Legal fee	83	
Secretarial expense	340	
Inspection & licenses	128	
Supplies	897	
Accounting and legal	7,753	
Insurance	2,248	
Repairs and maintenance	2,828	
Travel	218	
Capital outlay	871,288	
Debt Service		
Interest		24,874
Principal		<u>20,828</u>
Total Expenditures	<u>\$ 882,248</u>	<u>\$ 46,648</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 105,930</u>	<u>\$ 24,644</u>
OTHER FINANCIAL SOURCE (USES)		
Operating transfers in (out)	\$ 48,472	\$ 48,472
Discounts	88	
Loss proceeds	<u>20,828</u>	
Total Other Financing Sources (Uses)	<u>\$ 69,388</u>	<u>\$ 69,388</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCIAL OVER EXPENDITURES	<u>\$ 175,318</u>	<u>\$ 94,032</u>
FINE BALANCE (DEFICIT) AT BEGINNING OF YEAR	873,833	-0-
FINE BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 1,049,151</u>	<u>\$ 94,032</u>

The accompanying notes are an integral part of this statement.

ACADIA-EVANGELINE FIRE PROTECTION DISTRICT
Beauregard, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1987

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Louisiana Revised Statute 48:1426, the fire protection district is governed by five commissioners who are resident property taxpayers of the district. These five commissioners are collectively referred to as the board of commissioners. Two members (each) are appointed by the parish governing authorities of Acadia and Evangeline Parishes and one member by the governing body of the municipal corporation in the district. The members serve terms of two years. Vacancies are filled by the bodies making the original appointments. The fire protection district was created to acquire, maintain, and operate buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other such things necessary to provide proper fire protection and control within the two parishes.

In April of 1984, the Financial Accounting Foundation established the Government Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

For financial reporting purposes, in conformance with GASB Codification Section 2186, the fire district included all funds, account groups, activities, et cetera, that are controlled by the fire district as an independent political subdivision of the State of Louisiana. The activities of the parish police juries, parish school boards, independently elected parish officials, and municipal level of governments are not included within the accompanying financial statements as they are considered autonomous governments. These units of government issue financial statements separate from that of the fire district.

ACADIA-EVANGELINE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

A. FUND ACCOUNTING

The accounts of the fire protection district are organized on the basis of a Fund (General Fund) and two account groups, each of which is considered a separate accounting entity. The operations of the General Fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. The General Fund is the general operating fund of the fire district.

B. GENERAL FIXED ASSETS AND LONG-TERM OBLIGATIONS

Fixed assets (equipment) are accounted for in the general fixed assets account group, rather than in the General Fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. The Town of Basile provides operating space at the town hall free of charge to the fire district to house the equipment. Long-term liabilities expected to be financed from the Governmental Fund are accounted for in the General Long-Term Debt Account Group, rather than in the Governmental Fund. The account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The fire district's accounts are maintained on a cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting using the following practices:

INCOME

Ad valorem taxes are reported in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, income due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income on certificates of deposit is recorded when interest is earned.

ACADIA-EVANGELINE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Substantially all other revenues are recorded when received.

Expenditures

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

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include demand deposits and certificates of deposit. Under state law, the fire 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. Furthermore, the fire district may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

As reflected on Statement A, the Acadia-Evangeline Fire Protection District has cash and cash equivalents totaling \$264,227 at December 31, 1997. Cash and cash equivalents are stated at cost, which approximates market, and are secured through federal deposit insurance. The following is a summary of cash and cash equivalents at December 31, 1997:

Demand deposits	\$264,227
Certificates of deposit	<u>-0-</u>
Total	<u>\$264,227</u>

E. VACATION, SICK LEAVE AND PENSION

The fire district does not have any employees; therefore, it does not have a formal vacation and sick leave policy and does not contribute to a pension plan.

F. BUDGETING PROCESS

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

ACADIA-EVANSGELINE FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. The fire district's secretary/treasurer prepares a proposed budget and submits same to the Board of Commissioners no later than 15 days prior to the beginning of each fiscal year.
2. The budget is adopted by majority vote of the Board of Commissioners prior to the commencement of the fiscal year for which the budget is being adopted.
3. Budgetary amendments involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are originally adopted, or as amended from time to time by the Board of Commissioners.
6. The fire district did not adopt a budget for the general fund for year ended December 31, 1997, a violation of budget law.

2. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets (equipment) follows:

	Equipment	Building	Land	Other
Balance, January 1, 1997	\$17,398	\$ -	\$ -	\$17,398
Additions	489,383	100,000	0	589,383
Deletions	-	-	-	-
Balance, December 31, 1997	<u>\$506,781</u>	<u>\$100,000</u>	<u>\$0</u>	<u>\$606,781</u>

3. CHANGES IN GENERAL LONG-TERM DEBT

Series 1996 Bonds	
Balance, January 1, 1997	\$575,000
additions	-
Deletions	<u>(100,000)</u>
Balance, December 31, 1997	<u>\$475,000</u>

ACADIA-EVANGELINE FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

\$978,000 of 1986 Bonds of the Acadia-Evangeline Fire Protection District dated July 1, 1986, bearing interest at the rate of 8.25% per annum with principal payments due annually on March 1 and interest payments due semi-annually on March 1 and September 1.

The annual requirements to amortize debt outstanding are as follows:

Year Ending December 31.	General Obligation
1988	\$ 28,000
1989	30,000
1990	30,000
1991	30,000
1992	35,000
1993 and after	<u>402,000</u>
Total	<u>\$995,000</u>

4. LEVIED TAXES

The fire district has 8.7 mills ad valorem taxes authorized and levied.

5. COLLATERALIZATION OF CASH

A schedule of cash collateralized is as follows:

Cash on deposit at Basile State Bank	<u>\$ 168,187</u>
Amount collateralized by Basile State Bank	1,000,000
Amount Insured by FDIC	<u>100,000</u>
Total	<u>\$1,268,187</u>

Cash is adequately insured/collateralized at December 31, 1987.

6. MINUTES OF MEETINGS OF THE BOARD OF COMMISSIONERS

The fire district did not maintain written minutes of meetings of the Board of Commissioners for the year ended December 31, 1987.

7. VIOLATION OF PUBLIC BID LAW

The fire district made a \$10,000 expenditure for equipment during the year ended December 31, 1987 without first advertising for bids, a violation of the public bid law.

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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
Acadia-Evangeline Fire Protection District
Basilic, Louisiana

I have audited the component unit financial statements of Acadia-Evangeline Fire Protection District, Basilic, Louisiana, as of and for the year ended December 31, 1997, and have issued my report thereon dated June 4, 1998. 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 Acadia-Evangeline Fire Protection District, Basilic, Louisiana's, component unit 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 statement 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 the following instances of noncompliance that are required to be reported under Government Auditing Standards:

Findings:	The fire district failed to adopt a budget for its general fund for the year ended December 31, 1997 as required by law.
Cause:	The fire district's management overlooked this requirement.
Recommendation:	The fire district should follow the budget law and adopt a budget for its general fund prior to the commencement of the fiscal year for which the budget is being adopted.

Management's Response: We concur in the finding and will, in the future, adopt a budget for our general fund prior to the commencement of the fiscal year for which the budget is being adopted.

Finding: The fire district made an expenditure for equipment exceeding \$18,000 without first advertising for bids, a violation of the public bid law.

Cause: Management overlooked this requirement.

Recommendation: The fire district should follow the public bid law.

Management's response: We concur in the finding and will comply with the public bid law for future purchases.

Finding: The fire district did not maintain written minutes of meetings of the Board of Commissioners for the year ended December 31, 1997 as required by state law.

Cause: The fire district's management was not aware of this requirement.

Recommendation: The fire district should maintain written minutes of meetings of the Board of Commissioners as required by state law.

Management's Response: We concur in the finding and will begin to maintain written minutes of meetings of the Board of Commissioners.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Acadia-Evangeline Fire Protection District, Basile, Louisiana's internal control over financial reporting 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 over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Acadia-Evangeline Fire Protection District, Basile,

Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the component unit financial statements. Reportable conditions are as follows:

Finding No. 1: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic and space limitations.

Recommendation: No action is recommended.

Management's Response: We concur in the finding.

Finding No. 2: The fire district failed to adopt a budget for its general fund for the year ended December 31, 1987 as required by law.

Cause: The fire district's management overlooked this requirement.

Recommendation: The fire district should follow the Budget Law and adopt a budget for its general fund prior to the commencement of the fiscal year for which the budget is being adopted.

Management's Response: We concur in the finding and will, in the future, adopt a budget for our general fund prior to the commencement of the fiscal year for which the budget is being adopted.

Finding No. 3: The fire district did not maintain written minutes of meetings of the Board of Commissioners for the year ended December 31, 1987 as required by state law.

Cause: The fire district's management was not aware of this requirement.

Recommendation: The fire district should maintain written minutes of meetings of the Board of Commissioners as required by state law.

Management's Response: We concur in the finding and will begin to maintain written minutes of meetings of the Board of Commissioners.

Finding No. 4. The fire district made an expenditure for equipment exceeding \$18,000 without first advertising for bids, a violation of the public bid law.

Cause: Management overlooked this requirement.

Recommendation: The fire district should follow the public bid law.

Management's Response: We concur in the finding and will comply with the public bid law for future purchases.

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 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. 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, of the reportable conditions described above, I consider only Finding No.'s 2, 3, and 4 to be material weaknesses.

All findings of prior year have been corrected unless specified above.

This report is intended for the information of management, Board of Commissioners and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Michael W. Johnson

Michael W. Johnson
Certified Public Accountant

Shreve, Louisiana
June 3, 1998