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ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO.1

Financial Report

June 30, 1967

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Release Date 4-2-78

J. L. SONNIER
Certified Public Accountant
Lafayette, Louisiana

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
St. Landry Parish
Fire District No. 1
Knox Springs, Louisiana

I have audited the accompanying general purpose financial statements of St. Landry Parish Fire District No. 1, a component unit of the St. Landry Parish Police Jury, as of and for the year ended June 30, 1997, as listed in the table of contents. These financial statements are the responsibility of the management of St. Landry Parish Fire District No. 1. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Landry Parish Fire District No. 1, a component unit of the St. Landry Parish Police Jury, as of June 30, 1997 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 reports dated February 6, 1998 on my consideration of the Fire District's internal control structure and on its compliance with laws and regulations.



February 6, 1998

ST. LANDRY PARISH FIRE DISTRICT NO. 1

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1997

	General Fund	General Fixed Assets Account Group	Totals (Memorandum Only)	
			1997	1996
ASSETS				
Cash and interest bearing deposits	148,790	--	546,700	409,518
Property taxes receivable	1,335	--	1,335	--
Due from other governments -				
Fire insurance fee	1,734	--	3,754	--
Prepaid insurance	13,070	--	13,058	--
Land	--	31,000	31,000	31,000
Equipment	--	349,241	349,240	348,000
Buildings and improvements	--	280,617	280,607	68,143
Total assets	<u>364,929</u>	<u>1,060,878</u>	<u>1,625,697</u>	<u>1,317,271</u>
LIABILITIES AND FUNDS EQUITY				
Liabilities:				
Accounts payable	58,588	--	58,588	2,781
Accrued expenses	5,205	--	5,281	--
Payroll taxes payable	6,539	--	6,558	--
Retainage payable	32,675	--	20,671	--
Total liabilities	<u>99,207</u>	<u>--</u>	<u>92,299</u>	<u>2,781</u>
Fund equity:				
Investment in general				
fixed assets	--	1,060,878	1,060,878	847,746
Fund balance -				
Unreserved, undesignated	471,589	--	471,589	466,763
Total fund equity	<u>471,589</u>	<u>1,060,878</u>	<u>1,332,467</u>	<u>1,314,511</u>
Total liabilities and fund equity	<u>99,816</u>	<u>1,060,878</u>	<u>1,625,697</u>	<u>1,317,272</u>

See Notes to Financial Statements.

ST. LANDRY PARISH FIRE DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
Year Ended June 30, 1997

With Comparative Actual Amounts for Year Ended June 30, 1996

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
Revenues:				
Taxes - property	408,800	512,911	112,411	489,888
Intergovernmental revenues -				
Fire insurance fee	-	1,375	1,375	4,373
Revenue sharing	-	6,899	6,899	-
Grants - federal payments -				
Supplemental pay	-	20,058	20,058	20,485
Prisons	-	19,712	19,712	20,121
Miscellaneous -				
Interest	5,000	15,000	12,500	8,649
Other	-	187	187	188
Total Revenues	408,800	585,082	174,262	511,792
Expenditures:				
Current - public safety				
Salaries and benefits	216,230	282,899	(66,669)	152,860
Equipment costs	7,750	6,411	1,099	14,214
Occupancy costs	5,700	3,896	2,514	8,288
Office and administrative	18,880	18,224	(5,174)	18,981
Insurance	17,000	13,288	3,712	21,329
Other	3,970	3,586	389	699
Capital outlay -				
Equipment	-	1,658	(1,658)	287,101
Building	389,000	248,821	131,149	-
Total expenditures	511,750	398,889	112,442	316,448
Excess (deficiency) of revenues over expenditures	(102,950)	4,818	178,041	1,320
Fund balance, beginning	371,272	466,762	88,891	381,885
Fund balance, ending	268,322	471,580	187,536	383,205

See Notes to Financial Statements.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying component unit financial statements of the St. Landry Parish Fire District No. 1 (the District) 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.

The following is a summary of certain significant accounting policies:

Reporting Entity

As provided by Louisiana Revised Statute 40:1486, the fire protection district is governed by five commissioners who are resident property taxpayers of the District. Two are appointed by the parish governing authority and two by the governing body of the municipal corporation in the District. The fifth commissioner is selected by the other four members and serves as chairman. The members serve terms of two years. Vacancies are filled by the bodies making the original appointments.

Fire protection districts are created for the purpose of acquiring, maintaining, and operating buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other things necessary to provide proper fire prevention and control in the property within the district.

The District is a component unit of the St. Landry Parish Police Jury.

Fund Accounting

The accounts of the Board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The General Fund is the operating fund of the board. It is used to account for all financial resources not accounted for in the General Fixed Assets Account Group.

Fixed Assets

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The General Fund operations are accounted for on a spending or "financial flow" measurement basis, and only current assets and current liabilities are generally included on its balance sheet.

Fixed assets are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the General Fund when purchased. No depreciation has been provided on general fund assets.

All fixed assets are stated at historical cost.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses 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 General Fund is accounted for using the modified accrual basis of accounting. Its revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred.

Budgetary and Budgetary Accounting

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

1. The Fin. Chief prepares a proposed budget and submits it to the Board of Commissioners prior to the beginning of each fiscal year.
2. A summary of the proposed budget is made available for public inspection.
3. The proposed budget is legally adopted prior to the commencement of the fiscal year to which it applies.
4. All budgetary appropriations lapse at the end of the each fiscal year.
5. The budget is adopted on a basis consistent with generally accepted accounting principals (GAAP). Budgeted amounts included in the accompanying financial statements are the final amended amounts for the fiscal year.

Encumbrance

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

Comparative Data

Comparative 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Total Column on Combined Statement

The total column on the combined balance sheet is captioned "Memorandum Only" 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.

Dollar Signs

All numeric data in the financial statements and accompanying notes are presented in U.S. dollars. Dollar signs have been omitted.

Use of Estimates

Management must use estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenditures. Actual results could differ from these estimates.

2. BANK DEPOSITS AND INVESTMENTS

The District may invest in direct United States Treasury obligations, U.S. Government Agency obligations guaranteed by the U.S. Government, time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana, and investments as stipulated in LSA-R.S. 39:2925.

At June 30, 1997, bank deposits totaling \$100,000 were insured by the FDIC. Bank deposit balances totaling \$461,022 were collateralized with securities held by the pledging financial institution, but not in the Board's name.

3. PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value as of the prior January 1. Assessed values are established by the Parish Assessor and the State Tax Commission. The tax rate assessed in the fiscal year ended June 30, 1997 was 18 mills (1.8%). Taxes are due and payable by December 31 with interest being charged on payments made thereafter.

Property taxes are dedicated to acquiring, constructing, maintaining and operating facilities and equipment necessary to provide proper fire prevention and control to property within the district.

4. BAD DEBTS

The financial statements of the District contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the General Fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. PENSION PLAN

The District participates in the Firefighters' Retirement system, a cost sharing multiple-employer defined benefit pension plan. Any full-time firefighter of the District is covered under the plan.

Pension benefits - Employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained age 55 or 23 years of service at any age are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees that terminate prior to rendering 12 years of service forfeit the portion of accumulated benefits attributable to the District's contributions. Benefits are established under the authority of Louisiana statutes. The actual plan document should be consulted for more specifics as well as information regarding forfeitures, death benefits and disability benefits.

The District's covered payroll for the current fiscal year was \$158,298. Actually determined required contributions of the District were \$14,247 (9% of covered payroll). Employee contributions were \$12,664 (8% of covered payroll). Contributions established by Louisiana statute and 100% of required contributions were made for the current and preceding two years.

Historical trend information which provides information about progress made in accumulating sufficient assets to pay benefits is available in separately issued reports of the Firefighters' Retirement System.

6. ON-BEHALF PAYMENTS OF SALARIES AND FRINGE BENEFITS

The State of Louisiana paid the District's firefighters supplemental pay of \$20,056 and contributed \$18,712 to the Firefighter's Retirement System on-behalf of District employees. These amounts are included in the accompanying financial statements as revenues and expenditures.

7. BOARD MEMBER COMPENSATION

As provided by Louisiana statute, members of the board of Commissioners receive \$50 per diem for attending board meetings. This compensation totaled \$4,700 in the current year.

8. CHANGES IN GENERAL FIXED ASSETS

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Balance, beginning of year	31,000	68,143	747,603	846,746
Additions	-	248,831	1,618	250,449
Dispositions	-	(36,353)	-	(36,353)
Balance, end of year	<u>31,000</u>	<u>280,621</u>	<u>749,241</u>	<u>1,060,878</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. LITIGATION AND CLAIMS

At June 30, 1997, the District was involved in lawsuits claiming damages. In the opinion of the District's legal counsel, resolution of these lawsuits would not create a liability to the District in excess of insurance coverage.

10. RISK MANAGEMENT

The District is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year. Settlements have not exceeded insurance coverage during the three year period ended June 30, 1997.

11. COMPENSATED ABSENCES

No accrual has been made for vacation or sick pay due to the insignificance of the amounts involved.

12. RECLASSIFICATION OF PRIOR YEAR AMOUNTS

Certain amounts reported in the prior year have been reclassified for comparative purposes with current year amounts.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE OR BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
St. Landry Parish Fire District No. 1
Kreze Springs, Louisiana

I have audited the general purpose financial statements of St. Landry Parish Fire District No. 1 (the District), a component unit of the St. Landry Parish Policy Jury, as of and for the year ended June 30, 1997, and have issued my report thereon dated February 8, 1998.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of St. Landry Parish Fire District No. 1 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. 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.

In planning and performing my audit of the general purpose financial statements of the District, for the year ended June 30, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, 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 in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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 financial statements.

Segregation of Duties

Due to the small number of individuals administering the District's accounting functions, there is inadequate segregation of duties within the accounting system.

Auditor Response - The District is aware of this control weakness and has implemented procedures for approval of bills by the board of commissioners and the monitoring of monthly financial reports in an effort to compensate for the weakness without incurring the cost of hiring additional personnel.

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 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.

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. However, I do not believe the reportable condition described above is a material weakness.

This report is intended for the information of the board of commissioners, management, the St. Landry Parish Police Jury and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



February 6, 1998

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE OR BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
St. Landry Parish Fire District No. 1
Kroft Springs, Louisiana

I have audited the general purpose financial statements of St. Landry Parish Fire District No. 1 (the District), a component unit of the St. Landry Parish Police Jury, as of and for the year ended June 30, 1997, and have issued my report thereon dated February 6, 1998.

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 financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts of St. Landry Parish Fire District No. 1 is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the District's compliance with certain provisions of laws, regulations, and contracts. However, the objective of my audit of the financial statements 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 disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the board of directors, management, the St. Landry Parish Police Jury and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



February 6, 1998