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SIXTH WARD FIRE PROTECTION DISTRICT NO. 1
OF MOREHOUSE PARISH, LOUISIANA

FINANCIAL REPORT
(Compiled)

AND

REPORT ON APPLYING AGREED-UPON PROCEDURES

DECEMBER 31, 1998

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.

MAR 10 1999

Release Date _____

HILL, INZINA & COMPANY

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CONTENTS

	Page(s)
ACCOUNTANT'S COMPILATION REPORT	1
GENERAL-PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS)	
Combined balance sheet - fund type and account group	2
Statement of revenues, expenditures and changes in fund balance - budget and actual - governmental fund type - general fund	3
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	4 - 6
<i>LOUISIANA ATTESTATION QUESTIONNAIRE</i>	7 - 9
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS	10

HILL, INZINA & COMPANY

ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners
Sixth Ward Fire Protection District No. 1
of Morehouse Parish, Louisiana
Mer Rouge, Louisiana

We have compiled the accompanying general-purpose financial statements of Sixth Ward Fire Protection District No. 1 of Morehouse Parish, Louisiana, (a component unit of Morehouse Parish), as of and for the year ended December 31, 1998, in accordance with *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 of the District.. We have not audited or reviewed the accompanying general-purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's assets, liabilities, equity and other credits, revenues and expenditures. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Hill, Inzina & Co.

February 4, 1999

GENERAL-PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS)

SIXTH WARD FIRE PROTECTION DISTRICT NO. 1
OF MOREHOUSE PARISH, LOUISIANA

COMBINED BALANCE SHEET - FUND TYPE AND ACCOUNT GROUP
December 31, 1998

	Governmental Fund Type	Account Group General Fixed Assets	Totals- (Memo- randum Only)
ASSETS	General Fund	Fixed Assets	random Only)
Cash	\$ 2,263	\$ -	\$ 2,263
Investments	53,083	-	53,083
Taxes receivable	65,563	-	65,563
General fixed assets	<u>-</u>	<u>499,572</u>	<u>499,572</u>
Total assets	<u>\$ 120,909</u>	<u>\$ 499,572</u>	<u>\$ 620,481</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Note payable	\$ 35,724	\$ -	\$ 35,724
Equity and other credits:			
Investment in general fixed assets	\$ -	\$ 499,572	\$ 499,572
Fund balance:			
Designated for subsequent year's expenditures	65,563	-	65,563
Unreserved and undesignated	<u>19,622</u>	<u>-</u>	<u>19,622</u>
Total equity and other credits	<u>\$ 85,185</u>	<u>\$ 499,572</u>	<u>\$ 584,757</u>
Total liabilities, equity and other credits	<u>\$ 120,909</u>	<u>\$ 499,572</u>	<u>\$ 620,481</u>

See accountant's compilation report.

SIXTH WARD FIRE PROTECTION DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GOVERNMENTAL FUND TYPE - GENERAL FUND
 For the Year Ended December 31, 1998

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 67,927	\$ 67,576	\$(351)
Intergovernmental	8,230	8,437	207
Interest and miscellaneous	<u>1,100</u>	<u>4,910</u>	<u>3,810</u>
	<u>\$ 77,257</u>	<u>\$ 80,923</u>	<u>\$ 3,666</u>
Expenditures:			
Public safety:			
Equipment maintenance and operations	\$ 16,000	\$ 8,458	\$ 7,542
Building maintenance	2,500	1,484	1,016
Office supplies	900	493	407
Utilities	3,500	3,334	166
Insurance and surety bond premiums	11,100	9,155	1,945
Dues and publications	300	206	94
Legal and accounting	1,900	1,500	400
Telephone	2,500	2,689	(189)
Payroll and related taxes	-	2,584	(2,584)
Pension deduction	2,500	2,063	437
Training	3,000	-	3,000
Travel	1,000	26	974
Debt service:			
Principal	21,342	-	21,342
Interest	-	772	(772)
Capital outlay	<u>10,715</u>	<u>136,958</u>	<u>(126,243)</u>
	<u>\$ 77,257</u>	<u>\$ 169,722</u>	<u>\$(92,465)</u>
Excess of revenues over expenditures	\$ -	\$(88,799)	\$(88,799)
Fund balance - beginning	<u>173,984</u>	<u>173,984</u>	<u>-</u>
Fund balance - ending	<u>\$ 173,984</u>	<u>\$ 85,185</u>	<u>\$ 88,799</u>

See accountant's compilation report.

HILL, INZINA & COMPANY

ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Sixth Ward Fire Protection District No. 1
of Morehouse Parish, Louisiana
Mer Rouge, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Sixth Ward Fire Protection District No. 1 of Morehouse Parish, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 1998, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we 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.

Our applied procedures, together with any findings, follow:

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determined whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).
 - Our review of expenditure totals and the detail general ledger revealed one individual expenditure for materials and supplies exceeding \$15,000 and no individual expenditures for public works exceeding \$100,000. We examined documentation which indicated that the expenditure had been properly advertised and accepted in accordance with the provisions of LSA-RS 38:2211-2251.

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 42:1101- 1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

3. Obtain from management a listing of all employees paid during the period under examination.
4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.
 - Management provided us with the required information. The employee included on the employee list provided by management in agreed-upon procedure (3) did not appear on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.
6. Trace the budget adoption and amendments to the minute book.
7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.
 - Management provided us with a copy of the original budget. No amendments were made to the budget during the year. We traced the adoption of the original budget to the minutes of a meeting held on November 10, 1997.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues for the year exceeded appropriations; however, actual expenditures were 119.7% in excess of amounts budgeted for the year.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and (a) trace payments to supporting documentation as to proper amount and payee; (b) determine if payments were properly coded to the correct fund and general ledger account; and (c) determine whether payments received approval from proper authorities.
 - We examined supporting documentation for each of the six selected disbursements and found that the payments were for the proper amounts and made to the correct payees; were properly coded to the correct fund and general ledger accounts; and received approval from the Board of Commissioners.

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 through 42:12 (the open meetings law).

- The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's meeting location. Management has asserted that such documents were properly posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds or like indebtedness.
 - We scanned bank deposits and the detail general ledger and noted one deposit for \$55,000 of short-term loan proceeds from a local bank.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments had been made to employees which may constitute bonuses, advances or gifts.
 - A reading of the minutes for the District for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances or gifts.

Our prior year report, dated January 29, 1998, did not include any comments or unresolved matters.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Sixth Ward Fire Protection District No. 1 of Morehouse Parish, Louisiana, 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.

Hill, Arzoo & Co.

February 4, 1999

LOUISIANA ATTESTATION QUESTIONNAIRE

12-14-98 Date

Hill, Inzina & Co.
Certified Public Accountants
P. O. Box 631
Bastrop, LA 71221-0631

In connection with your compilation of our financial statements as of 12-31-98 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 the information available to us as of 12-31-98 (date).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of administration, State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No

It is true that 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 that would constitute a violation of LSA-RS 42:1119.

Yes No

Budgeting

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 39:34.

Yes No

Accounting and Reporting

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 []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463 and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in LSA-RS 42:1 through 42:12.

Yes [] No []

Debt

It is true 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 33 of the 1974 Louisiana Constitution and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true 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 []

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 communications 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 noncompliance which may occur subsequent to the issuance of your report.

Juan Blackard

Secretary 12-14-98 Date

✓

Treasurer Date

John D. Malcolm III

President 12-14-98 Date

SIXTH WARD FIRE PROTECTION DISTRICT NO. 1
OF MOREHOUSE PARISH, LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
For the Year Ended December 31, 1998

We have compiled the general-purpose financial statements of Sixth Ward Fire Protection District No. 1 of Morehouse Parish, Louisiana, as of and for the year ended December 31, 1998, and have issued our report thereon dated February 4, 1999. We conducted our compilation in accordance with *Statements on Standards for Accounting and Review Services*, issued by the American Institute of Certified Public Accountants.

Section I - Agreed-Upon Procedures

1998-1 Budgeting

Finding: Expenditures for the year ended December 31, 1998, of \$169,722 exceeded appropriations of \$77,257 by \$92,465 or 119.7%.

Management's
corrective
action plan: The chief executive officer, or equivalent, will periodically monitor the budget and notify the Board of Commissioners in writing during the year when actual receipts plus projected revenue collections will fail to meet budgeted revenues by 5% or more, or when actual expenditures plus projected expenditures to year end will exceed budgeted expenditures by 5% or more. Capital outlay funded by short-term loan proceeds and investments held will be included in the budget as a current expenditure.

Contact person: Chairman John D. Mc Adams III

Anticipated
completion date: Amendments, if any, of the 1999 budget will be made as required.

Section II - Management Letter

None issued.