

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2000

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FOR THE YEAR ENDED DECEMBER 31, 2000

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lincoln Parish Fire Protection District No. 1
Ruston, Louisiana

I have audited the accompanying general purpose financial statements of Lincoln Parish Fire Protection District No. 1 as of December 31, 2000, and for the year then ended. These financial statements are the responsibility of the management of Lincoln Parish Fire Protection District No. 1. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. 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. 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 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 Lincoln Parish Fire Protection District No. 1, as of December 31, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

WILLIAM R. HULSEY
Certified Public Accountant



June 8, 2001

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
COMBINED BALANCE SHEET -
ALL GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2000

	Governmental Fund Types			
	General Fund	Debt Service Fund	Equipment Replacement Fund	Capital Projects Fund
Assets:				
Cash	\$ 58,915	\$ 736,093	\$ 540,158	\$ 65,600
Investments	232,034	-	1,187,775	-
Unamortized bond premium	-	-	-	-
Receivables (net of allowance)	177,584	221,096	-	-
Taxes	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	9,389	-	-	-
General fixed assets	-	-	-	-
Amount available in debt service fund	-	-	-	-
Amount to be provided for retirement of general long term debt	-	-	-	-
TOTAL ASSETS	<u>\$ 477,922</u>	<u>\$ 957,189</u>	<u>\$ 1,727,933</u>	<u>\$ 65,600</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts payable	\$ 3,812	\$ -	\$ -	\$ -
Due to other fund	-	-	-	-
General obligation bonds	-	-	-	-
Total liabilities	<u>3,812</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity:				
Investments in general fixed assets	-	-	-	-
Fund Balance:				
Reserved for debt service	-	957,189	1,727,933	-
Reserved for equipment replacement	-	-	-	-
Unreserved	474,110	-	-	65,600
Total fund equity	<u>474,110</u>	<u>957,189</u>	<u>1,727,933</u>	<u>65,600</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 477,922</u>	<u>\$ 957,189</u>	<u>\$ 1,727,933</u>	<u>\$ 65,600</u>

Account Groups		
General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
\$ -	\$ -	\$ 1,400,766
-	-	1,419,809
-	-	-
-	-	398,680
-	-	-
-	-	9,389
4,279,944	-	4,279,944
-	957,189	957,189
-	-	-
-	1,182,811	1,182,811
<u>\$ 4,279,944</u>	<u>\$ 2,140,000</u>	<u>\$ 9,648,588</u>
\$ -	\$ -	\$ 3,812.00
-	-	-
-	2,140,000	2,140,000
-	2,140,000	2,143,812
4,279,944	-	4,279,944
-	-	2,685,122
-	-	-
-	-	539,710
<u>4,279,944</u>	<u>-</u>	<u>7,504,776</u>
<u>\$ 4,279,944</u>	<u>\$ 2,140,000</u>	<u>\$ 9,648,588</u>

The accompanying notes to financial statements are an integral
part of these statements.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	Governmental
	General Fund
Revenues:	
Taxes	\$ -
Fees and other non tax revenue	484,700
Grants	995
Other revenues	65,835
Total revenues	551,530
Expenditures:	
Current:	
Public safety	
Salaries and benefits	156,148
Election expenses	14,267
Insurance and surety bonds	32,412
GIS Mapping	20,000
Professional services	1,747
Uniforms	9,081
Utilities	18,657
Vehicle expenditures	9,910
Maintenance	22,647
Education and training	1,813
Telephone	4,759
Office supplies	1,685
Publications, dues and subscriptions	4,279
Equipment rental	648
Travel	222
Miscellaneous	895
Leases and taxes	788
Materials and supplies	6,692
Construction cost	-
Debt service	
Principal	-
Interest and fees	38,496
Capital outlay	38,496
Total expenditures	345,146
Excess (deficiency) of revenues over expenditures	206,384
Other financing sources (uses):	
Operating transfers in	-
Operating transfers out	(206,384)
Total other financing sources (uses)	(206,384)
Excess (deficiency) of revenues and other sources over expenditures and other uses	-
Fund balance, beginning	474,110
Fund balance, ending	474,110

	Fund Type		Total (Memorandum Only)
	Debt Service Fund	Equipment Replacement Fund	
\$ 348,000	\$ -	\$ -	\$ 348,000
-	-	-	484,700
27,060	81,845	-	995
<u>375,060</u>	<u>81,845</u>	<u>-</u>	<u>174,740</u>
-	-	-	1,008,435
-	-	-	156,148
-	-	-	14,267
-	-	-	32,412
-	-	-	20,000
-	-	-	1,747
-	-	-	9,081
-	-	-	18,657
-	-	-	9,910
-	-	-	22,647
-	-	-	1,813
-	-	-	4,759
-	-	-	1,685
-	-	-	4,279
-	-	-	648
675	-	-	222
-	-	-	1,570
-	-	-	788
-	-	33,151	6,692
-	-	-	33,151
275,000	-	-	-
141,205	-	-	275,000
-	-	-	141,205
<u>416,880</u>	<u>-</u>	<u>33,151</u>	<u>38,496</u>
(41,820)	81,845	(33,151)	795,177
-	127,633	78,751	213,258
-	-	-	206,384
-	127,633	78,751	(206,384)
(41,820)	209,478	45,600	-
999,009	1,518,455	20,000	213,258
957,189	1,727,933	65,600	3,011,574
<u>957,189</u>	<u>1,727,933</u>	<u>65,600</u>	<u>3,224,832</u>

The accompanying notes to financial statements are an integral part of these statements.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 RUSTON, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2000

	General Fund		
	Budget	Actual	Variance
Revenues:			
Taxes	\$ -	\$ -	\$ -
Fees and other non tax revenue	484,700	484,700	-
Grants	995	995	-
Other revenues	64,627	65,835	1,208
Total revenues	<u>550,322</u>	<u>551,530</u>	<u>1,208</u>
Expenditures:			
Current:			
Public safety			
Salaries and benefits	156,020	156,148	128
Election expenses	14,270	14,267	(3)
Insurance and surety bonds	32,420	32,412.00	(8)
GIS Mapping	20,000	20,000.00	-
Professional services	1,800	1,747.00	(53)
Uniforms	9,800	9,081.00	(719)
Utilities	16,000	18,657.00	2,657
Vehicle expenditures	10,000	9,910.00	(90)
Maintenance	23,200	22,647	(553)
Education and training	1,850	1,813	(37)
Telephone	4,800	4,759	(41)
Office supplies	1,750	1,685	(65)
Publications, dues and subscriptions	4,350	4,279	(71)
Equipment rental	650	648	(2)
Travel	225	222	(3)
Miscellaneous	900	895	(5)
Leases and taxes	790	788	(2)
Materials and supplies	6,800	6,692	(108)
Construction cost	-	-	-
Debt service			
Principal	-	-	-
Interest and fees	-	-	-
Capital outlay	38,500	38,496	(4)
Total expenditures	<u>344,125</u>	<u>345,146</u>	<u>1,021</u>
Excess (deficiency) of revenues over expenditures	206,197	206,384	187
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	(206,197)	(206,384)	(187)
Total other financing sources (uses)	<u>(206,197)</u>	<u>(206,384)</u>	<u>(187)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning		474,110	
Fund balance, ending		<u>474,110</u>	

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	Equipment Replacement Fund		
	Budget	Actual	Variance
Revenues:			
Taxes	\$ -	\$ -	\$ -
Fees and other non tax revenue	-	-	-
Grants	-	-	-
Other revenues	75,500	81,845	6,345
Total revenues	<u>75,500</u>	<u>81,845</u>	<u>6,345</u>
Expenditures:			
Current:			
Public safety			
Salaries and benefits	-	-	-
Election expenses	-	-	-
Insurance and surety bonds	-	-	-
GIS Mapping	-	-	-
Professional services	-	-	-
Uniforms	-	-	-
Utilities	-	-	-
Vehicle expenditures	-	-	-
Maintenance	-	-	-
Education and training	-	-	-
Telephone	-	-	-
Office supplies	-	-	-
Publications, dues and subscriptions	-	-	-
Equipment rental	-	-	-
Travel	-	-	-
Miscellaneous	-	-	-
Leases and taxes	-	-	-
Materials and supplies	-	-	-
Construction cost	-	-	-
Debt service			
Principal	-	-	-
Interest and fees	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	75,500	81,845	6,345
Other financing sources (uses):			
Operating transfers in	128,197	127,633	(564)
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>128,197</u>	<u>127,633</u>	<u>(564)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>203,697</u>	<u>209,478</u>	<u>5,781</u>
Fund balance, beginning		<u>1,518,455</u>	
Fund balance, ending		<u>1,727,933</u>	

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincoln Parish Fire Protection District No. 1 of Ruston, Louisiana was created by resolution and adopted by the Police Jury on April 23, 1991. The governing body of the District consists of a seven member Board of Commissioners. Four of these commissioners are appointed by the municipalities of Downsville, Dubach, Simsboro, and the Town of Vienna. Three additional members are appointed by the Police Jury.

The accounting policies of Lincoln Parish Fire Protection District No. 1 conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Financial Reporting Entity

This report includes the funds and account groups which are controlled by the Board of Commissioners. Control by the District is determined on the basis of appointment of governing body and other general oversight responsibility. The accompanying financial statements are intended to present the financial position and results of operations of only the transactions of the Fire Protection District.

Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the funds are accounted for by providing a separate set of self-balancing accounts which are comprised of the fund's assets, liabilities, fund equity, revenues and expenditures. The fund is grouped, in the financial statements in this report, into one generic fund type and broad fund category as follows:

Governmental Fund Types

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund

This fund is established to account for resources devoted to financing the general services that the Fire Protection District performs. Fees and other revenues used to finance the fundamental operation of the Fire Protection District are included in this fund. The fund is charged with all costs of operating the Fire Protection District for which a separate fund has not been established.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Fund

This fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds and Special Assessment Funds.

Equipment Replacement Fund

This fund is established to reserve funds for the replacement of equipment when necessary.

In addition to the governmental fund types, the Fire Protection District also maintains two account groups as described below:

General Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. The governmental fund is accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on its balance sheet. Its reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in the governmental fund type operations are accounted for in the general fixed assets account group, rather than in the governmental fund. No depreciation has been provided on such general fixed assets. Public domain or infrastructures are not capitalized. All fixed assets are valued at historical cost.

General Long Term Debt Account Group

This account group is used to account for the outstanding principal balance of general obligation bonds and other long-term debt not recorded in proprietary funds.

The account group is not a "fund". Its purpose is to measure financial position, not results of operations.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 measurement made, regardless of the measurement focus applied.

The governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become 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.

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred.

Revenues

Ad Valorem Taxes

Ad valorem taxes and related state revenue sharing (which is based on assessments of business property and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become 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 following year.

Budgets and Budgetary Accounting

The budgets for the funds are proposed by the Director and formally adopted by the Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles. Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require approval of the Commissioners. At year end, all appropriations lapse.

Cash and Cash Equivalents

The District's policy is to include short-term interest bearing deposits having a maturity of three months or less as cash equivalents in the financial statements.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (continued)

Louisiana statutes permit the District to invest in United States' bonds, treasury notes, or certificates, or other obligations of the U.S. Government and agencies of the U.S. Government which are federally insured, and certificates of deposit of state banks having their principal office in the State of Louisiana, or in mutual or trust fund institutions which are registered and which have underlying investments limited to securities of the U.S. Government or its agencies.

Valuation of Carrying Amounts of Deposits

Cash is reported at net book value - the December 31, 2000, bank balance plus any deposits in transit and less any outstanding checks that have not cleared the bank as of that date.

Memorandum Only - Total Columns

The total column on the Combined Statement is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles.

Receivables

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Interfund Receivables and Payables

Due To and Due From Other Funds

Interfund receivables and payables arising from interfund transactions expected to be repaid in the next accounting cycle are recorded by all funds affected in the period in which transactions are executed. Interfund receivables and payables have not been eliminated.

Advance To and Advance From Other Funds

Interfund receivables and payables represent those that are not expected to be repaid during the next accounting cycle.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The following annual and sick leave policies are in effect:

Employees accrue from five to fifteen days of annual and sick leave each year depending on years of service with the District. Annual leave must be used in the year it is earned. Sick leave, up to a maximum of fifteen days, may be carried forward to the next year for major illnesses only. Upon separation, all unused sick leave lapses.

A provision for the compensated absences has been determined to be immaterial by the Fire Protection District, therefore, no provision has been included in these component unit financial statements.

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS

At year end, the carrying amount of the Fire Protection District's deposits was \$1,400,766, while the bank balance was \$1,011,724. The bank balance is categorized as follows:

Amount insured by FDIC and FSLIC	\$ 200,000
Amount collateralized with securities held by the pledging financial institution's agent in the Districts name	811,724
Total bank balance	\$1,011,724

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS

A summary of the changes in the general fixed assets account group is as follows:

	Balance 12/31/99	Additions	Retirements	Balance 12/31/00
Fire trucks	\$ 3,347,992	\$ -	\$ -	\$ 3,347,992
Buildings	700,629	-	-	700,629
Site improvements	197,397	38,596	(4,670)	231,323
Total	\$ 4,246,018	\$ 38,596	\$ (4,670)	\$ 4,279,944

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 4 - INVESTMENTS

Investing is performed in accordance with investment policies complying with state statutes and the District's charter. The investments of the District are categorized to give an indication of the level of risk assumed by the District at December 31, 2000. The categories are described as follows:

- Category 1 - Insured or registered, with securities held by the entity or its agents in the entity's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, in its trust department in the entity's name.

Investments categorized by level of risk, are:

	1	Category 2	3	Carrying Amount	Fair Value
Mortgage backed securities	\$ 105,760	\$ -	\$ -	\$ 105,760	\$ 104,935
U.S. Government securities	1,314,049	-	-	1,314,049	1,313,704
Total Investments	\$ 1,419,809	\$ -	\$ -	\$ 1,419,809	\$ 1,418,639

NOTE 5 - ACCOUNTS RECEIVABLE

Property taxes, structure fees, and other receivables are shown net of an allowance for doubtful accounts.

	Total Receivable	Allowance for Doubtful Accounts	Net Receivable
Ad valorem taxes	\$ 279,453	\$ 59,374	\$ 220,079
Structure fees	339,547	161,963	177,584
Other receivables	1,017	-	1,017
Total	\$ 620,017	\$ 221,337	\$ 398,680

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 6 - PENSION PLAN - PAROCHIAL RETIREMENT SYSTEM

Plan Description

The Parochial Employees' Retirement System, a Public Employee Retirement System, is a cost sharing multiple-employer plan that is governed by the Louisiana Revised Statutes, title II, Sections 1901 through 2015, specifically, and other general laws of the State of Louisiana.

Under the Parochial Retirement System, a member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age or 25 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 60 years old. The monthly retirement benefit is equal to three percent of the member's coverage monthly compensation for any 36 months of consecutive service in which compensation was highest, multiplied by years of creditable service, not to exceed 100% of member's final compensation. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death under certain conditions are payable to the retiree's surviving spouse and minor children.

The District's total payroll for the year ended December 31, 2000 was \$117,239 of which \$3,728 was the covered payroll for employees in the Parochial Retirement System. The District has one employee covered under this retirement system.

NOTE 7 - PENSION PLAN - FIREFIGHTERS' RETIREMENT SYSTEM

Plan Description

The Firefighters' Retirement System is a defined benefit pension plan covering firefighters employed by any municipality, parish, or fire protection district of the State of Louisiana under the provisions of Louisiana Revised Statutes 11:2251 through 2269.

Under the Firefighters' Retirement System, a member is eligible for normal retirement if he has:

- 20 or more years of service and has attained age 50 or
- 12 years of service and has attained age 55 or
- 25 years of service at any age.

Those employees meeting one of these requirements 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%. Benefits vest upon rendering 12 years of service to the District. Employees may elect to receive their pension benefits in the form of joint and survivor annuity.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 7 - PENSION PLAN - FIREFIGHTERS' RETIREMENT SYSTEM (continued)

The District's total payroll for the year ended December 31, 2000 was \$117,239 of which \$113,511 was the covered payroll for employees in the Firefighters' Retirement System. The District has three employees covered under this retirement system.

NOTE 8 - LEASE OBLIGATIONS

The Lincoln Parish Fire Protection District has entered into twenty leases for real property on which to locate fire stations. The leases have various commencing dates beginning in April 1993, and running through April 1994. All leases run for twenty-five years following the commencing date with an option for the district to renew the lease for an additional twenty-five years thereafter. All leases are for \$1 per year. Leases shall expire on their own terms if a fire station, fire protection facility or other similar structure is not constructed on the leased premises within twenty-four months from the date the agreement is executed by the lessor. Additionally, leases shall expire if the fire station, fire protection facility or other similar structure is not equipped with appropriate fire protection equipment or ceases to be used as a fire protection facility for a period of twenty-four consecutive months.

Because the leases are operating leases, no provision for the underlying property has been made in general fixed assets nor have the leases been reflected as general long term debt. The following is a schedule of future minimum lease payments:

<u>Year Ending December 31,</u>	<u>Amount</u>
2000	\$ 20
2001	20
2002	20
2003	20
2004	20
Later Years	<u>280</u>
Total minimum payments required	<u>\$ 380</u>

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 9 - BONDS PAYABLE

The District issued \$4,000,000 of General Obligation Bonds in 1991. Bonds payable at December 31, 2000 are as follows:

\$3,125,000 1991 General Obligation Bonds dated April 1, 1991, due in annual installments of \$145,000 to \$425,000 through April 1, 2006, interest from 6.2% to 12%. This issue is payable from ad valorem tax.

The annual requirements to amortize the bonded debt outstanding as of December 31, 2000, including interest payments of \$426,560 are as follows:

<u>Year Ending December 31,</u>	<u>General Obligation Bonds</u>
2001	\$ 418,535
2002	419,625
2003	424,320
2004	432,310
2005	433,595
Later Years	<u>438,175</u>
Total	<u>\$ 2,566,560</u>

The following is a summary of the District's General Obligation Bond transactions for the year ended December 31, 2000:

Bonds outstanding December 31, 1999	\$ 2,415,000
Retirements during 2000	<u>275,000</u>
Outstanding December 31, 2000	<u>\$ 2,140,000</u>

NOTE 10 - FEDERALLY ASSISTED PROGRAMS

The Fire Protection District has no federally financial assisted programs, therefore, no schedule of federally assisted program activity has been presented in accordance with the Office of Management and Budget Circular A-133, "Audits of State and Local Governments".

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 11 - DEFERRED COMPENSATION PLAN

Employees of the Lincoln Parish Fire Protection District No. 1 may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by PEBSCO (Public Employee Benefit Service Corporation). Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by PEBSCO until paid or made available to the employees or beneficiaries, are the property of the District, subject only to the claims of the District's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the District, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The District believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

As part of its fiduciary role, the District has an obligation of due care in selecting the third-party administrator. In the opinion of the District's legal counsel, the District has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

NOTE 12 - LITIGATION

At December 31, 2000, according to the Parish District Attorney, the District had pending litigation, but adequate insurance coverage is afforded.

NOTE 13 - COMPENSATION FOR THE BOARD OF COMMISSIONERS

The members of the Board for the Fire Protection District receive no compensation.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 14 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget/Actual Unfavorable Variances

When comparing budget to actual amounts for the year ended December 31, 2000, no funds had an unfavorable variance for expenditures of greater than 5%.

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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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
Lincoln Parish Fire Protection District No. 1
Ruston, Louisiana

I have audited the financial statements of Lincoln Parish Fire Protection District No. 1 as of and for the year ended December 31, 2000, and have issued my report thereon dated June 8, 2001. 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 Lincoln Parish Fire Protection District No. 1's 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Lincoln Parish Fire Protection District No. 1's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management, the Board of Commissioners, the Lincoln Parish Police Jury, and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

WILLIAM R. HULSEY
Certified Public Accountant

A handwritten signature in black ink, appearing to read "Wm. R. Hulsey". The signature is written in a cursive, somewhat stylized font.

June 8, 2001