

RECEIVED  
LEGISLATIVE DIVISION

02 JUL 24 09:00:22

**FIRE PROTECTION DISTRICT NO. 1  
OF TENNES PARISH, LOUISIANA  
TENNES PARISH POLICE JURY**

**Component Unit Financial Statements and  
Independent Auditor's Reports  
For the Year Ended  
December 31, 2001**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the House of Representatives office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/14/02

**FIRE PROTECTION DISTRICT NO. 1  
OF TENNES PARISH, LOUISIANA  
TABLE OF CONTENTS**

	<b>Page</b>
<b>SECTION I - GENERAL PURPOSE FINANCIAL STATEMENTS</b>	<b>1</b>
<i>Independent Auditor's Report</i>	<b>2-3</b>
<i>Combined Balance Sheet - All Fund Types and Account Groups</i>	<b>4</b>
<i>Combined Statements of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types</i>	<b>5</b>
<i>Combined Statements of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types - Budget and Actual</i>	<b>6</b>
<i>Notes to the Financial Statements</i>	<b>7-10</b>
<b>SECTION II - REPORT ON COMPLIANCE/INTERNAL CONTROL</b>	<b>11</b>
<i>Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</i>	<b>12-13</b>
<b>SECTION III - SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>14</b>
<i>Schedule of Findings and Questioned Costs</i>	<b>15-16</b>

**SECTION I - GENERAL PURPOSE FINANCIAL STATEMENTS**

# SWITZER, HOPKINS & MANGE

Certified Public Accountants

SWITZER & COMPANY, CPAs  
11 ANDRE BOUQUET, CPAs  
DORIAN L. MANGE, CPA  
A PROFESSIONAL CORPORATION  
7000 N. BRIDGE ST. SUITE 1000

## INDEPENDENT AUDITOR'S REPORT

Members of the Board Commissioners  
Fire Protection District No. 1 of Tensas Parish, Louisiana  
St. Joseph, Louisiana

We have audited the accompanying general-purpose financial statements of the Fire Protection District No. 1 of Tensas Parish, Louisiana as of December 31, 2001 as listed in the table of contents. These general-purpose financial statements are the responsibility of Fire Protection District No. 1 of Tensas Parish, Louisiana's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Fire Protection District No. 1 of Tensas Parish, Louisiana, as of December 31, 2001 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated June 14, 2002 on our consideration of the Fire Protection District No. 1 of Tensas Parish, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Members of the Board Commissioners  
Fire Protection District No. 1 of Texas Parish  
Page Two

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Fire Protection District No. 1 of Texas Parish, Louisiana. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Ervin, Louisiana  
June 14, 2002

*Swartz, Hopkins & Argo*

**FILE PROTECTION DISTRICT NO. 1 OF THE STATE OF MICHIGAN  
CONSUMER COMPLAINT SERVICE - ALL FUND ITEMS AND ACCOUNT SERVICES  
December 31, 1998**

**ASSETS**

Cash									
Receivables, net minus applicable allowance for noncollectibility									
State BA	15,128	-	-	-	-	-	-	-	15,128
All vehicles trust	144,737	-	-	-	-	-	-	-	144,737
Revolving assets (Plan C)									
Cash	-	14,965	-	-	-	-	-	-	14,965
General fund assets (Plan B)	-	-	95,474	-	-	-	-	-	95,474
Amount available in debit service fund	-	-	-	-	14,965	-	-	-	14,965
Amount to be provided for retirement of general fund term debt	-	-	-	-	-	475,208	-	-	475,208
<b>Total assets</b>	<b>615,228</b>	<b>14,965</b>	<b>95,474</b>	<b>696,608</b>	<b>696,608</b>	<b>696,608</b>	<b>696,608</b>	<b>696,608</b>	<b>1,011,679</b>

**LIABILITIES AND LIQUIDITY**

Liabilities									
Accounts payable	773	-	-	-	-	-	-	-	773
Contributions of individuals (Plan B)									
Total liabilities	773	-	-	-	-	-	-	-	773
Fund Equity:									
Retirement in general fund assets	-	-	95,474	-	-	-	-	-	95,474
Fund Balance									
Retained for debt service	624,628	14,965	-	-	-	-	-	-	639,593
Unreserved-unobligated	624,628	14,965	95,474	-	-	-	-	-	835,067
Total fund equity	624,628	14,965	95,474	696,608	696,608	696,608	696,608	696,608	1,011,679
<b>Total liabilities and fund equity</b>	<b>625,401</b>	<b>14,965</b>	<b>95,474</b>	<b>696,608</b>	<b>696,608</b>	<b>696,608</b>	<b>696,608</b>	<b>696,608</b>	<b>1,011,679</b>

The following notes are an integral part of these financial statements.

FIRE PROTECTION DISTRICT NO. 1  
OF TENNESSEE PARISH, LOUISIANA  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General Fund	Sales Service Fund	Total
<b>REVENUES</b>			
Ad valorem taxes	\$ 188,123	\$ -	\$ 188,123
Sales taxes	188,903	-	388,903
Intergovernmental	<u>3,634</u>	<u>-</u>	<u>3,634</u>
<b>Total revenues</b>	<u>380,660</u>	<u>-</u>	<u>380,660</u>
<b>EXPENDITURES</b>			
General government	86,180	-	86,180
Capital outlay	<u>476,148</u>	<u>-</u>	<u>476,148</u>
<b>Total expenditures</b>	<u>562,328</u>	<u>-</u>	<u>562,328</u>
<b>(Excess) of expenditures over revenues</b>	<b>(281,668)</b>	<b>-</b>	<b>(281,668)</b>
<b>Other financing sources:</b>			
Transfers in (out)	(34,392)	34,392	-
Interest earned	27,885	387	28,272
Interest expense	<u>-</u>	<u>(28,895)</u>	<u>(28,895)</u>
<b>Total other financing sources</b>	<u>(6,507)</u>	<u>5,884</u>	<u>(903)</u>
<b>(Excess) of expenditures and other sources over revenues</b>	<b>(288,175)</b>	<b>5,884</b>	<b>(282,291)</b>
<b>Fund Balance, Beginning of Year</b>	<u>925,763</u>	<u>9,281</u>	<u>935,044</u>
<b>Fund Balance, End of Year</b>	<u>\$ 637,588</u>	<u>\$ 15,165</u>	<u>\$ 652,753</u>

The following notes are an integral part of these financial statements:

**FIRE PROTECTION DISTRICT NO. 1  
OF TENNES PARISH, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Ad valorem taxes	\$ 150,000	\$ 155,123	\$ 5,123
Sales taxes	102,000	108,003	6,003
Intergovernmental	-	3,634	3,634
Total revenues	<u>252,000</u>	<u>267,660</u>	<u>15,660</u>
<b>EXPENDITURES</b>			
General government	336,452	86,180	250,272
Capital outlay	525,800	476,148	49,652
Total expenditures	<u>862,252</u>	<u>562,328</u>	<u>299,924</u>
Excess of revenues over expenditures	(610,252)	(294,668)	314,784
<b>Other financing sources</b>			
Transfers in (out)	(28,895)	(24,932)	(5,197)
Interest earned	-	27,805	27,805
Total other financing sources	<u>(28,895)</u>	<u>(6,587)</u>	<u>21,588</u>
Excess of revenues and other sources over expenditures	(639,147)	(301,255)	337,192
Fund Balance, Beginning of Year	<u>925,783</u>	<u>925,768</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 286,636</u>	<u>\$ 624,513</u>	<u>\$ 337,192</u>

The following notes are an integral part of these financial statements.



FIRE PROTECTION DISTRICT NO. 1  
OF TENNES PARISH, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2001

**INTRODUCTION**

1. The Tensas Parish Police Jury created the Fire Protection District No. 1 of Tensas Parish, Louisiana May 28, 1999 by resolution. The District operates in compliance with Part I Chapter 7, Title 48 of the Louisiana Revised Statutes of 1998.
2. The purpose of the District is to provide fire protection for Tensas Parish.
3. The District's boundaries are all of Tensas Parish, Louisiana. Tensas Parish is located in Northeast Louisiana and has a population of 8,308.
4. A Board of Commissioners appointed by the Tensas Parish Police Jury governs the District. The board members are presently serving without compensation.
5. The District had no paid employees during 2001.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Financial Reporting Entity**

This report includes all funds that are controlled by or dependent of the Board of Commissioners. Control by or dependence on the Fire District was determined on the basis of budget adoption, authority to incur debt, appointment of governing body, and other general oversight responsibility.

**2. Fund Accounting**

The accounts of the Fire District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in three individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the accompanying financial statements are described as follows:

**General Fund**

The General Fund is the general operating fund of the Fire Protection District No. 1 of Tensas Parish. It is used to account for all financial resources except those required to be accounted for in another fund.

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1991

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED**

**Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**General Fixed Assets and General Long-Term Debt Account Groups**

**General Fixed Assets -**

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

**General Long-Term Debt Account Group**

The General Long-Term Debt account Group is used to account for long-term liabilities to be financed from governmental funds.

**3. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying general-purpose financial statements have been prepared on the modified accrual basis (GAAP) of accounting.

**Revenues**

Ad valorem taxes 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, January, and February.

Taxes levied at 4.89 mills of the assessed valuation of property in the district for acquiring, constructing, improving, maintaining and/or operating parish wide fire protection facilities and equipment in and for the District and paying the cost of obtaining water for parish wide fire protection purposes.

**FIRE PROTECTION DISTRICT NO. 1  
OF TENNESSEE PARISH, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED**

Sales taxes of one quarter per cent of sales in Tennessee Parish were levied beginning October 1, 1999. This tax expires September 30, 2009.

Interest income on investments is recorded when the investments have matured and the income is available.

Substantially all other revenues are recorded when received.

**Expenditures**

Purchases of equipment and supplies are recorded when the related fixed liability is incurred.

**4. Budget Practices**

Annually, the Fire District adopts a budget. Appropriations lapse at year-end and the District does not utilize encumbrance accounting.

**5. Cash and Investments**

**a. Deposits**

At year-end, the bank's balance of the District's deposits (checking and savings accounts) was \$489,811. Of this balance, \$314,968 was covered by FDIC insurance, \$169,806 was covered by collateral held by its agent in the District's name.

**6. Total Columns on Combined Statements – Overview**

The total columns on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**NOTE B – GENERAL LONG-TERM DEBT**

At December 31, 2001, long-term debt was comprised of the following:

\$290,000 - 2000 Certificates of Indebtedness due in annual installments of \$79,000 to \$105,000 beginning March 1, 2002 through March 1, 2009, interest at 5.75%	<u>\$ 699,000</u>
--	-------------------

FIRE PROTECTION DISTRICT NO. 1  
OF TENNESSEE PARISH, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2001

**NOTE B – GENERAL LONG-TERM DEBT-CONTINUED**

The following is a summary of the long-term debt transaction for the year ended December 31, 2001:

Long-term debt at beginning of year	\$ 690,000
Borrowing during year	-
Certificates retired during the year	-
<b>Balance at end of year</b>	<b><u>\$ 690,000</u></b>

The maturity schedule for the debt is as follows:

Date	Principal	Interest	Total
2002	\$ 70,000	\$ 37,663	\$ 107,663
2003	74,000	33,523	107,523
2004	78,000	29,183	107,183
2005	83,000	24,524	107,524
2006	88,000	19,687	107,687
Thereafter	<u>187,000</u>	<u>16,387</u>	<u>203,387</u>
	<b><u>\$ 690,000</u></b>	<b><u>\$ 178,737</u></b>	<b><u>\$ 868,737</u></b>

**NOTE C – RESTRICTED ASSETS**

Certificates of indebtedness require that a sinking fund be established for the payment of interest and principal. The District shall deposit into the sinking fund from the first revenues of the ad valorem tax a sum equal to the principal and interest falling due on the certificates in that calendar year. The District is in compliance with this covenant.

**NOTE D – CHANGES IN GENERAL FIXED ASSETS**

The summary of changes in general fixed assets follows:

	Balance		Balance	
	12/31/2000	Additions	Exclusions	12/31/2001
Buildings	\$ -	\$ 244,983	\$ -	\$ 244,983
Construction in progress	5,982	-	5,982	-
Land	1,000	-	-	1,000
Equipment	<u>99,584</u>	<u>237,146</u>	-	<u>336,730</u>
<b>Total</b>	<b><u>\$ 106,566</u></b>	<b><u>\$ 482,129</u></b>	<b><u>\$ 5,982</u></b>	<b><u>\$ 584,633</u></b>

**SECTION II – REPORT ON COMPLIANCE/INTERNAL CONTROL**

# SWITZER, HOPKINS & MANGE

Certified Public Accountants

SWITZER & PARTNERS, LLP  
500 NORTH WASHINGTON, SUITE 1000  
MEMPHIS, TENNESSEE 38102

MEMPHIS OFFICE: (901) 525-1000

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the Board of Commissioners  
Fire Protection District No. 1 of Texas Parish  
St. Joseph, Louisiana

We have audited the general purpose financial statements of Fire Protection District No. 1 of Texas Parish, Louisiana as of and for the year ended December 31, 2001, and have issued our report thereon dated June 14, 2002. We have conducted our audit in accordance with standards generally accepted in the United States of America 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 Fire Protection District No. 1 of Texas Parish, Louisiana's general purpose financial statements are free of material misstatement, we 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 these provisions was not an object of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fire Protection District No. 1 of Texas Parish, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our 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.

However, we noted one certain matter involving the internal control over financial reporting and its operation that we consider being a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Fire Protection District No. 1 of Texas Parish's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2000-1.

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 accounts that would be material in relation to the general purpose 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. We noted no matters involving the internal control over financial reporting and its operation that we consider being material weaknesses.

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

Ferryday, Louisiana  
June 14, 2002

*Scotty, Stephen & Kings*

**SECTION III – SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS**



FIRE PROTECTION DISTRICT NO. 1  
OF TENNES PARISH, LOUISIANA

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2001

Summary of Audit Reports

1. The auditor's report expresses an unqualified opinion on the General Purpose Financial Statements.
2. One reportable condition was disclosed during the audit of the financial statements reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of noncompliance with certain laws and regulations of the District was disclosed during the audit.

Findings - Financial Statement Audit

5000-1 - Segregation of Duties

We noted that the Fire District does not have adequate segregation of duties in its operations. One individual is responsible for practically every accounting function including record keeping, check writing, making deposits, etc. We recommend an attempt to segregate duties be made by the District.

Management indicated that it has only one part-time person doing work for the District and it would not be cost feasible to add additional persons to the accounting function.

FIRE PROTECTION DISTRICT NO. 1  
OF TENNES PARISH, LOUISIANA

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2000

**Findings – Financial Statement Audit**

**2001-1 – Bid Law Violation**

Public bids were not obtained on two items purchased during the year in violation of Louisiana law. We recommend that bids be obtained on all equipment purchased greater than \$25,000 as required by Louisiana law.

This finding has been corrected.