

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE
CONCORDIA PARISH POLICE JURY)**

FINANCIAL STATEMENTS

**AS OF DECEMBER 31, 2008
AND FOR THE YEAR THEN ENDED**

**WITH
ACCOUNTANT'S REPORT**

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 Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/5/09



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)**

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ACCOUNTANT'S REPORT

Board of Supervisors
Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana
Monterey, Louisiana

We have compiled the accompanying financial statements of the governmental activities, major funds, and the aggregate remaining fund information of the Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana, a component unit of the Concordia Parish Police Jury, as of and for the year ending December 31, 2008, 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. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The District did not comply with Louisiana Revised Statute 24:513, concerning completion dates of financial statements. The compliance finding is included in page 13.

Silas Simmons, LLP

Natchez, Mississippi
July 10, 2009

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

ASSETS

Cash	\$	7,704
Accounts receivable, taxes		11,507
Capital assets, net		<u>141,567</u>
Total assets	\$	<u>160,778</u>

LIABILITIES

Accrued liabilities	\$	2,051
Current portion - loans payable		26,700
Long-term portion - loans payable		<u>152,393</u>
Total liabilities	\$	<u>181,144</u>

NET ASSETS

Invested in capital assets, net of related debt (deficit)	\$	(37,526)
Unrestricted		<u>17,160</u>
Total net assets (deficit)	\$	<u>(20,366)</u>

See accompanying notes and accountants' report.

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
STATEMENT OF ACTIVITIES
DECEMBER 31, 2008

GENERAL REVENUES

Taxes	
Ad valorem taxes	\$ 90,326
Interest income	278
Other revenue	<u>9,581</u>
Total general revenues	<u>\$ 100,185</u>

GENERAL EXPENSES

Governmental activities - public safety	
Personnel services	\$ 10,896
Operating services	65,350
Interest expense	<u>11,069</u>
Total general expenses	<u>\$ 87,315</u>

Changes in net assets	\$ 12,870
Net assets - beginning of year (deficit)	<u>(33,236)</u>
Net assets - end of year (deficit)	<u>\$ (20,366)</u>

See accompanying notes and accountants' report.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
BALANCE SHEET
DECEMBER 31, 2008

ASSETS

Cash	\$	7,704
Accounts receivable, taxes		11,507
Total assets	\$	<u>19,211</u>

LIABILITIES

Accrued liabilities	\$	2,051
Total current liabilities	\$	<u>2,051</u>

NET ASSETS

\$ 17,160

See accompanying notes and accountants' report.

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

Fund balances, total governmental funds (Statement C)	\$	17,160
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Amounts reported for governmental activities in the statement of net assets are different because:

Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Cost of capital assets	\$	246,000	
Less accumulated depreciation		<u>(104,433)</u>	141,567

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Long-term liabilities		<u>(179,093)</u>
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Net assets of governmental activities (deficit) (Statement A)	\$	<u>(20,366)</u>
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See accompanying notes and accountants' report.

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2008**

REVENUES

Taxes		
Ad valorem taxes	\$	90,326
Interest income		278
Other revenue		<u>9,581</u>
Total general revenues	\$	<u>100,185</u>

EXPENDITURES

Public safety - fire		
Personnel services	\$	10,896
Operating services		<u>53,017</u>
Total public safety - fire	\$	<u>63,913</u>
Debt service		
Principal retirement	\$	14,000
Interest expense		<u>11,069</u>
Total debt service	\$	<u>25,069</u>
Total expenditures	\$	<u>88,982</u>
Net change in fund balances	\$	11,203
Fund balance, beginning of year		<u>5,957</u>
Fund balance, end of year	\$	<u>17,160</u>

See accompanying notes and accountants' report.

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2008

Net changes in fund balance, total governmental funds (Statement E) \$ 11,203

Amounts reported for governmental activities in the statement are different because:

Governmental funds report capital outlays as expenditures.

Donated assets are not recorded in governmental funds.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Less current year depreciation (12,333)

Governmental funds report debt service payments as expenditures and proceeds from loans as revenues. However, in the statement of activities, repayments of principal of indebtedness reduces long-term liabilities in the statement of net assets and loan proceeds increase long-term liabilities. This is the amount of principal payments made:

14,000

Change in net assets per statement of activities (Statement B) \$ 12,870

See accompanying notes and accountants' report.

NOTES TO THE FINANCIAL STATEMENTS

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

INTRODUCTION

1. The Concordia Parish Police Jury created the Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana by ordinance. The District operates in compliance with Part II, Title 40:1492-1502 of the Louisiana Revised Statutes.
2. The purpose of the District is to provide fire protection.
3. The District's boundaries are outside of the corporate limits of any municipality in Concordia Parish and outside of the Concordia Fire Protection District No. 1. Concordia Parish is located in East Central Louisiana.
4. A Board of Supervisors appointed by the Concordia Parish Police Jury governs the District. The board consists of five members and is presently serving without compensation.
5. The District had no full-time employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana (hereafter referred to as the District).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include taxes, interest, and other items that are restricted to meeting the operational or capital requirements of a particular function or segment.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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.

1. 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.

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

Substantially all other revenues are recorded when received.

2. Expenditures

Purchase of equipment and supplies are recorded when the related fund liability is incurred.

D. Budget Practices

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

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2008, the District has cash and cash equivalents (book balances) totaling \$7,704. The cash was held in interest-bearing demand deposit accounts.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2008, the District has \$7,704 in deposits (collected bank balances). These deposits are secured by \$250,000 of federal deposit insurance.

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 3 - RECEIVABLES

The receivables of \$11,507 at December 31, 2008, are as follows:

Ad valorem	\$ 11,507
Less allowance for doubtful accounts	<u>-</u>
Total receivables	<u>\$ 11,507</u>

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activities as of and for the year ended December 31, 2008, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Buildings	\$ 109,000	\$ -	\$ -	\$ 109,000
Equipment	<u>105,000</u>	<u>32,000</u>	<u>-</u>	<u>137,000</u>
Total capital assets being depreciated	<u>\$ 214,000</u>	<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ 246,000</u>
Less accumulated depreciation for:				
Buildings	\$ (28,500)	\$ (3,633)	\$ -	\$ (32,133)
Equipment	<u>(63,600)</u>	<u>(8,700)</u>	<u>-</u>	<u>(72,300)</u>
Total accumulated depreciation	<u>\$ (92,100)</u>	<u>\$ (12,333)</u>	<u>\$ -</u>	<u>\$ (104,433)</u>
Total capital assets	<u>\$ 121,900</u>	<u>\$ 19,667</u>	<u>\$ -</u>	<u>\$ 141,567</u>

Depreciation expense of \$12,333 for the year ended December 31, 2008, was charged to the public safety functions.

NOTE 5 - LONG-TERM DEBT

At December 31, 2008, long-term debt was comprised of the following:

Note payable due in annual installments of \$10,700, beginning December 5, 2007 through December 5, 2011, interest at 5.5%.	\$ 44,093
Installment on principal on Certificate Number R-2, due in annual installments of \$4,000, beginning January 18, 2007 through January 18, 2012, interest at 0%.	15,000
\$130,000 - 2007 certificates of indebtedness due in annual installments of \$10,000 to \$22,000 beginning March 1, 2008 through March 1, 2014, interest at 5%.	<u>120,000</u>
	<u>\$ 179,093</u>

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 5 - LONG-TERM DEBT (continued)

The following is a summary of the long-term debt transactions for the year ended December 31, 2008:

Long-term debt, beginning of year	\$ 193,093
Debt issued during the year	-
Debt retired during the year	<u>(14,000)</u>
Balance at end of year	<u>\$ 179,093</u>

The maturity schedule for the debt is as follows:

2009	\$ 26,700
2010	27,700
2011	27,700
2012	33,700
2013	22,293
Thereafter	<u>41,000</u>
Total	<u>\$ 179,093</u>

NOTE 6 - TAXES

The District is authorized to levy a maximum tax of 3.15 mills annually on property within the boundaries of the District for maintenance and operation of the District. The District levied 3.15 mills.

NOTE 7 - PENSION PLANS

The District has no employees that would require participation in a retirement system.

NOTE 8 - LITIGATION AND CLAIMS

The District is not involved in any litigation at December 31, 2008, nor is aware of any unasserted claims.

SCHEDULE OF FINDINGS

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2008

SECTION 1: SUMMARY OF RESULTS

Financial Statements:

- | | |
|--|-------------|
| 1. Type of report issued on the financial statements: | Compilation |
| 2. Noncompliance relating to the financial statements? | Yes |

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)**

**CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN**

FOR THE YEAR ENDED DECEMBER 31, 2008

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Section I – Internal Control and Compliance Not Material to the Financial Statements:

2008-1	<u>Late Filing of Audit Report</u> Louisiana Revised Statute 24:513 requires all audit engagements be completed and transmitted to the Louisiana Legislative Auditor within six months of the close of the entity's year. Accordingly, this audit report was due to be filed no later than June 30, 2009, and was filed on July 21, 2009.	The District had its books and records ready on time. The auditor was delayed. Next year the audit will be filed on time.	Jim Graves Chairman	6/30/2010
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Recommendation

We recommend the District comply with Revised Statute 24:513 in the future.

Response

The District will comply with Revised Statute 24:513 in future years.

Section II – Internal Control and Compliance Material to Federal Awards:

None

Section III – Management Letter:

None