

**WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana**

Annual Financial Statements

**As of and for the Year Ended
December 31, 2003**

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

Release Date 4-28-04

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2009

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OF JACKSON PARISH
Eros, Louisiana
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M. Carlson Dumas
CERTIFIED PUBLIC ACCOUNTANT

349 DONALDSON ROAD • CALHOON, LOUISIANA 71225 • TELEPHONE 718/448-8728

Accountant's Compilation Report

BOARD OF COMMISSIONERS
WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Evan, Louisiana

I have compiled the accompanying basic financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Ward Two Fire Protection District of Jackson Parish as of December 31, 2003, and for the year then ended, in accordance with standards established by *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 and schedules, information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

I am not independent with respect to the Ward Two Fire Protection District of Jackson Parish for the year ended December 31, 2003.



Calhoon, Louisiana
March 12, 2004

**WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2005**

Our discussion and analysis of Ward Two Fire Protection District of Jackson Parish's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2005. Please read it in conjunction with the District's financial statements that begin on page 9.

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The *Statement of Net Assets* and the *Statement of Activities* on pages 9 and 10 provide information about the activities of the District and present a long-term view of the District's financial position. The *fund financial statements* presented on pages 11 and 12 provide information on how the operations of the District are financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements.

The Statement of Net Assets and the Statement of Activities

The *Statement of Net Assets* and the *Statement of Activities* provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and the changes in them. Net assets - the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net assets are an indicator of whether the District's financial position is improving or deteriorating.

In the *Statement of Net Assets* and the *Statement of Activities*, the District reports only governmental activities due to the fact that the District is engaged in one governmental program - fire protection. Property taxes and intergovernmental revenues finance most of this activity.

Fund Financial Statements

The *fund financial statements* begin on page 11 and provide more detailed information about the District's funds. The District has only one fund, the *General Fund*, which is reported as a

**WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH**
Eros, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003

governmental fund. All of the services provided by the District are accounted for in the General Fund. Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations. Governmental fund information helps to determine whether there are more or fewer financial resources that are available to be spent in the near future.

The differences between governmental activities reported in the Statement of Net Assets and the Statement of Activities and the governmental funds reported in the fund financial statements are reported in a reconciliation at the bottom of the fund financial statements.

**COMPARATIVE ANALYSIS OF
FINANCIAL DATA**

Government-Wide

The District's net assets increased by \$107,548 during 2003. The increase in net assets is due to an increase in property tax revenue and a federal grant during 2003. Program revenues increased \$45,872 and general revenues increased \$51,545. Expenses increased \$13,168. The following presents an analysis of net assets and changes in net assets of the District's governmental activities:

	GOVERNMENTAL ACTIVITIES	
	2003	2002
Assets		
Current assets	\$265,638	\$266,719
Capital assets	170,802	132,698
Total assets	<u>\$436,440</u>	<u>\$399,417</u>
Liabilities		
Current liabilities	\$28,795	\$28,127
Long-term liabilities	562,616	562,616
Total liabilities	<u>\$591,411</u>	<u>\$590,743</u>
Net Assets		
Invested in capital assets	170,802	132,698
Unrestricted	265,638	266,719
Total net assets	<u>\$436,440</u>	<u>\$399,417</u>

**WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003**

	<u>2003</u>	<u>2002</u>
Expenses	338,043	349,845
Program revenues	(3,877)	30,600
General revenues	111,719	49,174
Change in net assets	197,548	(24,129)
Net assets - beginning	<u>157,190</u>	<u>181,319</u>
Net assets - ending	<u>354,738</u>	<u>157,190</u>

Governmental Funds

Total revenues increased from \$69,174 in 2002 to \$165,591 in 2003. The total increase in revenues included a \$46,764 increase in property taxes which resulted from an increase in the assessed value of taxable property in the district on the tax roll levied for 2003. Total expenditures in 2003 increased \$44,687 from the 2002 total expenditures. The total increase in expenditures included a \$17,889 increase in capital outlay expenditures and a \$7,290 increase in small tools and supplies expenditures.

OVERALL FINANCIAL POSITION

The District's net assets increased \$207,548 as a result of this year's operations. Unrestricted net assets (those assets available to finance the daily operations of the district) were \$174,845 at year end. The amount invested in capital assets was \$179,002 at year end.

DISTRICT'S FUNDS

At the end of the year, the District's General Fund reported an unreserved fund balance of \$174,845. The increase in unreserved fund balance for 2003 was \$76,344. The primary reason for the increase in unreserved fund balance was the increase in the property tax revenue and an increase in federal and state grants.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District amended its budget one time during the year. At year end, actual revenues exceeded budgeted revenues by \$30,391 and actual expenditures were \$7,343 less than budgeted expenditures.

**WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003**

CAPITAL ASSETS

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$170,002. Capital assets include buildings, vehicles, and equipment, costing \$1,000 or more. Total fixed asset additions were \$44,743 during the year. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District prepared its 2004 budget on the assumption that revenues will remain fairly constant for 2004. The District anticipates capital improvements expenditures in the amount of \$121,000 during 2004. All other expenditures should remain fairly constant for 2004.

BASIC FINANCIAL STATEMENTS

**WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana**

**STATEMENT OF NET ASSETS
December 31, 2005**

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash	595,681
Investments	81,870
Property tax receivable	165,087
Capital assets, net	<u>170,000</u>
TOTAL ASSETS	<u>1,112,638</u>
LIABILITIES	
Accounts payable	1,589
Deferred revenue	<u>108,824</u>
TOTAL LIABILITIES	<u>110,413</u>
NET ASSETS	
Invested in capital assets	170,000
Unrestricted	<u>942,638</u>
TOTAL NET ASSETS	<u>\$1,112,638</u>

See accompanying notes and accountant's compilation report.

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Econ, Louisiana

Statement B

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2003

	<u>GOVERNMENTAL ACTIVITIES</u>
Expenses:	
Public safety - fire protection	<u>534,643</u>
Program revenues:	
Operating grants	<u>43,872</u>
General revenues:	
Property taxes	108,378
State fire insurance rebate	8,193
Insurance earnings	3,893
Miscellaneous	5,113
Total general revenues	<u>131,719</u>
Change in net assets	107,548
Net assets - beginning	<u>237,399</u>
Net assets - ending	<u>344,947</u>

See accompanying notes and accountant's compilation report.

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2003

	GENERAL FUND
ASSETS	
Cash	\$98,881
Investments	\$1,870
Property tax receivable	105,087
TOTAL ASSETS	\$205,838
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$1,969
Deferred revenue	168,824
Total liabilities	170,793
Fund balance - unreserved	130,845
TOTAL LIABILITIES AND FUND BALANCES	\$301,638
Reconciliation of the Balance Sheet of Governmental Fund To the Statement of Net Assets:	
Fund balance - unreserved - General Fund	\$130,845
Amount reported for net assets of governmental activities in the Statement of Net Assets (Statement A) is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund	170,002
Net assets of governmental activities (Statement A)	\$344,847

See accompanying notes and accountant's compilation report.

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eriw, Louisiana

Statement D

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended December 31, 2003

	<u>GENERAL FUND</u>
REVENUES	
Property taxes	\$408,378
Intergovernmental revenues:	
Federal grant	37,872
State fire insurance rebate	8,193
Other state grants	6,080
Interest earnings	3,033
Other revenues	5,115
Total revenues	<u>468,581</u>
EXPENDITURES	
Public safety - fire protection:	
Current:	
Salaries and related benefits	6,459
Administrative	1,386
Fuel allowance	1,934
Insurance	6,843
Truck maintenance	9,456
Small tools and supplies	7,290
Utilities	3,888
Miscellaneous	2,129
Intergovernmental	3,855
Capital outlay	44,305
Total expenditures	<u>89,347</u>
NET CHANGE IN FUND BALANCE	36,234
FUND BALANCE AT BEGINNING OF YEAR	<u>78,601</u>
FUND BALANCE AT END OF YEAR	<u>\$114,835</u>

(Continued)

See accompanying notes and accountant's compilation report.

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND (Cont.)
For the Year Ended December 31, 2003

	<u>GENERAL FUND</u>
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities:	
Net change in fund balance - General Fund	\$76,244
Amount reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Change in net assets of governmental activities (Statement B)	<u>31,304</u> <u>\$107,548</u>

(Continued)

See accompanying notes and accountant's compilation report.

**WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana**

*Notes to the Financial Statements
As of and for the Year Ended December 31, 2003*

INTRODUCTION

The Ward Two Fire Protection District of Jackson Parish was created by the Jackson Parish Police Jury, on August 4, 1987, as authorized by Louisiana Revised Statute 48:1493. The district is governed by a five member board. Two members are appointed by the Jackson Parish Police Jury, one member is appointed by each municipality in the district, and the fifth member, who is chairman, is selected by the other four members. Board members serve two year terms without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district. The district has two part-time employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Ward Two Fire Protection District of Jackson Parish is considered a component unit of the Jackson Parish Police Jury. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

I. 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 nonfundatory activities of the Ward Two Fire Protection District of Jackson Parish.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

See accountant's compilation report.

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Notes to the Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements. The Ward Two Fire Protection District of Jackson Parish has only one governmental fund.

**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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the district.

The Ward Two Fire Protection District of Jackson Parish reports the following governmental fund:

General Fund

The General fund is the general operating fund of the district and accounts for all financial resources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to

**WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH**
Notes to the Financial Statements

the extent that these standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

C. Deposits and Investments

Cash includes amounts in interest-bearing demand deposits. State law allows the district to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90-days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. As December 31, 2003, the district's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90-days that are reported in the accompanying financial statements at cost.

D. Receivables

Property tax receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The district is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The district is authorized to levy a maximum tax of 10 mills annually on property within the boundaries of the district for maintenance and operation of the district beginning with the year 1998 and ending with the year 2007. The district levied 8.94 mills for the year ended December 31, 2003.

E. Capital Assets

Capital assets, which include buildings, vehicles, and equipment are reported in the governmental activities column in the government-wide financial statements. All of the district's capital assets are capitalized at historical cost. The Ward Two Fire Protection District of Jackson Parish maintains a threshold level of \$0,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All capital assets are depreciated using the straight-line method over the following useful lives:

See accountant's compilation report.

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Notes to the Financial Statements

	<u>Estimated Life</u>
Buildings	40 years
Vehicles	12 years
Equipment	10 years

E. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. At December 31, 2003, the district's governmental fund balance was unreserved and undesignated.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY**

Budget Information

The Ward Two Fire Protection District of Jackson Parish uses the following budget practices:

A preliminary General Fund budget for the coming year is prepared by the board of commissioners in December of each year on the modified accrual basis of accounting. The budget is then adopted by the board during the regular December meeting. The budget is established and controlled by the board of commissioners at the object level of expenditure.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Encumbrance accounting is not used by the

See accountant's compilation report.

WARD TWO FIRE PROTECTION DISTRICT
 OF JACKSON PARISH
 Notes to the Financial Statements

district. All changes in the budget must be approved by the board of commissioners.

Budgeted amounts included in the accompanying financial statements include the original adopted budget and subsequent amendments.

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2003, the district has cash and investments (book balances) as follows:

Interest bearing checking accounts	\$12,043
Money market account	88,638
Investments - certificates of deposit	<u>81,879</u>
Total	<u>\$182,560</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, may be secured by federal deposit insurance or the 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. At December 31, 2003, the Ward Two Fire Protection District of Jackson Parish has \$250,525 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$150,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 16:1239 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 90 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2003, is as follows:

	Balance at January 1, 2003	Increases	Decreases	Balance at December 31, 2003
Governmental activities:				
Capital assets being depreciated:				
Buildings	\$81,000			\$81,000

See accountant's compilation report.

WARD TWO FIRE PROTECTION DISTRICT
 OF JACKSON PARISH
 Notes to the Financial Statements

	Balance at January 1, 2003	Increases	Decreases	Balance at December 31, 2003
Vehicles	\$159,348			\$159,348
Equipment	14,871	544,745		559,616
Total capital assets being depreciated	<u>255,819</u>	<u>44,745</u>	<u>NONE</u>	<u>299,764</u>
Less accumulated depreciation				
For:				
Buildings	28,350	2,825		30,375
Vehicles	78,901	10,623		89,524
Equipment	9,070	793		9,863
Total accumulated depreciation	<u>116,321</u>	<u>13,441</u>	<u>NONE</u>	<u>129,762</u>
Total assets being depreciated, net	<u>\$138,688</u>	<u>\$31,304</u>	<u>NONE</u>	<u>\$170,002</u>

Depreciation expense of \$13,441 for the year ended December 31, 2003 was charged to the public safety - fire protection governmental function.

8. RISK MANAGEMENT

The district purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

See accountant's compilation report.

REQUIRED SUPPLEMENTAL INFORMATION

See accountant's compilation report.

**WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana**

Schedule I

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**

For the Year Ended December 31, 2003

	BudgetedAmounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$87,700	\$87,700	\$88,378	\$17,678
Federal and state grants		38,000	43,872	5,872
State - fire insurance rebate	7,000	7,000	8,190	1,190
Use of money and property - interest earnings	2,500	2,500	3,033	533
Other revenue			3,112	3,112
Total revenues	<u>\$97,200</u>	<u>\$137,200</u>	<u>\$143,583</u>	<u>\$46,383</u>
EXPENDITURES				
Insurance	8,500	8,850	8,845	5
Truck maintenance	8,500	8,500	9,436	(936)
Fuel allowance	1,800	1,700	1,104	66
Utilities	4,000	4,000	3,888	112
Capital improvements	65,900	65,500	44,743	20,757
Small tools and supplies			7,290	(7,290)
Administrative	2,000	2,000	3,996	(1,996)
Salary	6,458	6,459	6,459	
Miscellaneous	1,800	1,250	2,129	(879)
Intergovernmental			3,855	(3,855)
Total expenditures	<u>\$94,958</u>	<u>\$95,259</u>	<u>\$86,343</u>	<u>7,915</u>
NET CHANGE IN FUND BALANCE	2,241	39,941	57,240	38,468
FUND BALANCE AT BEGINNING OF YEAR	<u>107,573</u>	<u>107,573</u>	<u>98,603</u>	<u>(8,970)</u>
FUND BALANCE AT END OF YEAR	<u>\$109,814</u>	<u>\$147,514</u>	<u>\$155,843</u>	<u>\$27,329</u>

See accountant's compilation report.

OTHER SUPPLEMENTAL INFORMATION SCHEDULES

See accountant's compilation report.

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana

OTHER SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 2003

STATUS OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

**CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 3.

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, Louisiana

STATUS OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2000

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action
N/A	2000	Bank deposits were not fully reconciled at December 31, 2000.	Yes	N/A

See accountant's compilation report.

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Eros, LouisianaCURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2003

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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There are no current year findings.

HILL, INZINA & COMPANY

INDEPENDENT ACCOUNTANT'S REPORT ON APPLIED AGREED-UPON PROCEDURES

Board of Commissioners
Ward Two Fire Protection District of Jackson Parish
Eras, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Ward Two Fire Protection District of Jackson Parish 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, 2003, included in the accompanying *Louisiana Assurance Questionnaire*. This agreed-upon procedure 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 determine whether such purchases were made in accordance with LSA-RS 38:2211-2213 (the public bid law).
 - o Our review of the handwritten cash journal 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 but no bids were received.

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 43:1301-1324 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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Telephone 318-281-4882 • Fax 318-281-4887

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 (2) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.
 - o Management provided the required information. The employees included on the employees listing provided by management in agreed-upon procedure (2) did not appear on the listings 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 3% or more or if actual expenditures exceeded budgeted amounts by 3% or more.
 - o Management provided a copy of the original and amended budgets. We traced the adoption of the original budget to the minutes of a meeting held on December 9, 2002, which indicated that the budget was adopted by the Commissioners of the District by a unanimous vote. Amendments were made to the budget at a meeting held on December 8, 2003.
 - o We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 3%.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and: (a) trace payments to supporting documentation at its proper amount and date; (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.
 - o 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 full 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 42:1-12 (the open meetings law).
- o 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 accounted 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 bank loans, bonds, or like indebtedness.
- o We scanned the handwritten cash journal and monthly bank statements for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Returns

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.
- o A reading of the minutes of 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.

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 Ward Two Fire Protection District of Jackson Parish 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hill, Morgan & Co.

March 18, 2004

Cindy L. Haynes, CPA
HRL, Irwin, & Co. CPAs
P. O. Box 930
Baton Rouge, La 70721

Mrs. Haynes,

In accordance with the Louisiana Governmental Audit Code, 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 information available to us as of 11/16/84.

PUBLIC BID LAW

1. The provisions of the public bid law, LSA-RS Title 38:1212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes [] No [] N/A []

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. 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 which would constitute a violation of LSA-RS 42:1161-1124.

Yes [] No [] N/A []

3. 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 since April 1, 1980 under circumstances which would constitute a violation of LSA-RS 42:1119.

Yes [] No [] N/A []

BUDGETING

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 29:1300-14) or the budget requirements of LSA-RS 39-43.

Yes [] No [] N/A []

ACCOUNTING AND REPORTING

5. 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 48:1, 48:3, 48:31, and 48:36.

Yes [] No [] N/A []

6. We have filed our annual financial statements in accordance with LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:50, as applicable.

Yes [] No [] N/A []

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

Yes [] No [] N/A []

MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes [] No [] N/A []

DEBT

9. 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 47:1410.60.

Yes [] No [] N/A []

ADVANCES AND BONUSES

10. 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 78-729.

Yes [] No [] N/A []

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.



Date



Date