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**FIRE PROTECTION DISTRICT NO. 2  
OF THE PARISH OF ST. MARY**

Cosserette, Louisiana

Year Ended September 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the county 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 12-21-2001

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Fire Protection District No. 2 of the Parish of St. Mary  
Cottarrville, Louisiana

We have audited the accompanying financial statements of the governmental activity of Fire Protection District No. 2 of the Parish of St. Mary (hereinafter "District"), a component unit of the Parish of St. Mary, State of Louisiana as of and for the year ended September 30, 2003, as listed in the table of contents. These financial statements are the responsibility of the board of commissioners of Fire Protection District No. 2 of the Parish of St. Mary. Our responsibility is to express an opinion on these 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. Those 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 the board of supervisors, 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 financial statements referred to above present fairly, in all material respects, the financial position of the governmental activity of Fire Protection District No. 2 of the Parish of St. Mary, as of September 30, 2003, and the change in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the basic financial statements, the Fire Protection District No. 2 of the Parish of St. Mary has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This results in a change in the format and content of the financial statements.

In accordance with Government Auditing Standards, we have also issued a report dated March 26, 2004 on our consideration of the District's compliance with laws and regulations and on its internal control over financial reporting. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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The required supplementary information on page 26 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express an opinion on it.

Fire Protection District No. 2 of the Parish of St. Mary has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the financial statements.

**Keller, Champagne, Strain & Company, LLC**  
Certified Public Accountants

Morgan City, Louisiana  
March 26, 2004

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWSFS)**

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF ST. MARY**  
**Centerville, Louisiana**

Statement of Net Assets  
September 30, 2003

	Governmental Activity
<b>ASSETS</b>	
Cash and interest-bearing deposits	\$ 3,848
Investments	144,895
Due from other governmental units	113,803
Prepaid expenses	958
Capital assets, net	<u>683,558</u>
<b>TOTAL ASSETS</b>	<u>946,415</u>
<b>LIABILITIES</b>	
Accounts, salaries, and other payables	29,937
Long term liabilities:	
Due within one year	18,419
Due in more than one year	<u>74,668</u>
<b>TOTAL LIABILITIES</b>	<u>123,024</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	604,782
Unrestricted	<u>214,889</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 819,671</u>

The accompanying notes are an integral part of the financial statements.

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN**  
 Covington, Louisiana

Statement of Activities  
 Year Ended September 30, 2000

Functions/Programs	Expenses	Program Revenues Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental activities:			
Public safety:			
Fire protection	\$ 64,029	280,463	\$ 185,238
Insurance on debt	5,422	-	(5,422)
Total governmental activities	\$ 69,451	\$ 280,463	\$ 185,116
General revenues:			
Taxes:			
Property taxes			945,857
Interest and investment earnings			2,983
Total general revenues			948,840
Change in net assets			328,475
Net assets - October 1, 2000, as restated			911,135
Net assets - September 30, 2000			\$ 1,239,610

The accompanying notes are an integral part of the financial statements.



**FUND FINANCIAL STATEMENTS (FFS)**

## MAJOR FUND DESCRIPTION

### General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF ST. MARY  
Cottleville, Louisiana

Balance Sheet - Governmental Fund  
September 30, 2003

	<u>General Fund</u>
<b>ASSETS</b>	
<b>Assets:</b>	
Cash	\$ 3,049
Investments	144,895
Receivables - property tax	154,536
Prepaid expenses	<u>280</u>
<b>Total assets</b>	<b><u>\$302,760</u></b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>	
<b>Liabilities:</b>	
Accounts payable	39,927
Deferred revenue	134,136
<b>Total liabilities</b>	<b><u>184,483</u></b>
<b>Equity and other credits:</b>	
Fund balance:	
Unreserved and undesignated	118,997
<b>Total equity and other credits</b>	<b><u>118,997</u></b>
<b>Total liabilities, equity and other credits</b>	<b><u>\$303,480</u></b>

The accompanying notes are an integral part of the financial statements.

**FIRE PROTECTION DISTRICT NO. 2 OF THE PARISH OF ST. MARY**  
**Centerville, Louisiana**

**Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Assets  
September 30, 2003**

Total fund balances for governmental funds at September 30, 2003	<b>\$</b>	<b>118,997</b>
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Fire truck, net of \$40,468 accumulated depreciation	128,936	
Equipment, net of \$15,617 accumulated depreciation	41,994	
Fire hydrants, net of \$3,924 accumulated depreciation	13,323	
Building, net of \$9,163 accumulated depreciation	63,619	
Land	15,000	
Construction in progress	<u>433,437</u>	<b>695,309</b>
Revenues that will be collected after year end, but are not "available" to pay the current period's expenditures are deferred in the funds.		
		<b>118,993</b>
Capital leases that are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.		
		<u>(90,887)</u>
Net assets at September 30, 2003	<b>\$</b>	<b><u>818,601</u></b>

The accompanying notes are an integral part of the financial statements.

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF ST. MARY  
Cottrellville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
Year Ended September 30, 2005

	<u>General Fund</u>
Revenues:	
Local Sources-	
Intra-governmental - property taxes	\$147,853
Senior user fees	280,467
Miscellaneous income	<u>2,493</u>
Total revenues	<u>430,813</u>
Expenditures:	
Current -	
Public safety	
Fire	74,728
Debt service	21,845
Capital outlay	<u>421,473</u>
Total expenditures	<u>517,218</u>
(Deficiency) of revenues over expenditures	(96,405)
Fund balance, beginning	<u>209,712</u>
Fund balance, ending	<u>\$ 113,307</u>

The accompanying notes are an integral part of the financial statements.

**FIRE PROTECTION DISTRICT NO. 2 OF THE PARISH OF ST. MARY**  
**Concordia, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures, and  
 Changes in Fund Balance of Governmental Funds  
 to the Statement of Activities  
 Year Ended September 30, 2003**

Total net changes in fund balance for the year ended September 30, 2003 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (90,715)
 The change in net assets reported for governmental activities in the statement of activities is different because:	
Some revenues will not be collected for several months after year-end and are considered "available" and are deferred in governmental funds. Deferred revenues decreased by this amount this year.	(1,650)
Governmental funds report capital leases as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the capital lease payable balance on the statement of net assets	15,623
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances Depreciation expense for the year ended September 30, 2003 Current year deletions of capital assets, net of accumulated depreciation	\$419,473 <u>(18,289)</u> <u>401,184</u>
Total changes in net assets for the year ended September 30, 2003 per Statement of Activities	<u>\$ 318,478</u>

The accompanying notes are an integral part of the financial statements.

**FIRE PROTECTION DISTRICT NO. 2 OF THE PARISH OF ST. MARY**  
Centerville, Louisiana

**Notes to Financial Statements**

Fire Protection District No. 2 of the Parish of St. Mary, State of Louisiana, was created by Ordinance No. 468 of the St. Mary Parish Council on July 9, 1986. The District encompasses Ward Four of the Parish of St. Mary, State of Louisiana. The purpose of the District is to provide equipment to the Centerville Volunteer Fire Department and to reimburse them for fire protection expenses. The Centerville Volunteer Fire Department is located within the district, which encompasses Fire Protection District No. 2.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:111, and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audit of State and Local Governmental Units.

(i) **Summary of Significant Accounting Policies**

The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

As the governing authority of the parish, for reporting purposes, the St. Mary Parish Council is the financial reporting entity for St. Mary Parish. The financial reporting entity consists of (a) the primary government (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Mary Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- Appointing a voting majority of an organization's governing body, and the ability of the parish council to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council.
- Organizations for which the parish council does not appoint a voting majority but are financially dependent on the parish council.
- Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

**FIRE PROTECTION DISTRICT NO. 2 OF THE PARISH OF ST. MARY**  
Cassville, Louisiana

**Notes to Financial Statements (Continued)**

Because the parish council appoints the governing body and has the ability to significantly impose its will, the District is a component unit of the St. Mary Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. Basis of Presentation**

The accompanying basic financial statements of the Fire Protection District No. 2 of the Parish of St. Mary have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis--for State and Local Governments", issued in June 1999. As a result, an entirely new financial presentation format has been implemented.

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources management focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

The statement of activities presents a comparison between direct expenses and program revenues for the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.



FIRE PROTECTION DISTRICT NO. 2 OF THE PARISH OF ST. MARY  
Cottrellville, Louisiana

Notes to Financial Statements (Continued)

Fund Financial Statements (FFS)

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are classified into one category: governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 1% percent of the corresponding total for all governmental funds. The general fund of the District is considered to be a major fund. The fund of the District is described below:

Governmental Fund -

General Fund - This fund is the primary operating fund of the District and it accounts for the operations of the District's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

C. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Lives
Fire truck	15
Equipment	5-15
Fire hydrants	20
Building	25

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF ST. MARY  
Cottleville, Louisiana

Notes to Financial Statements (Continued)

**D. Measurement Focus/Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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. The District uses the following practices in recording certain revenues and expenditures:

**Revenues**

Ad valorem taxes (which are based on population and homesteads in the District) are recorded in the year the tax assessments are received from the parish tax collector.

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**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

**E. Budgetary Practices**

The District prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The annual budget for the general fund is prepared in accordance with the basis of accounting utilized by that fund. The original budget was not amended during the current fiscal year; therefore, a comparison of amended budget to actual budget is not presented.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY  
Cottrelville, Louisiana

Notes to Financial Statements (Continued)

F. Cash

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits.

Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Investments

Under state law, the District may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. As September 30, 2011, all of the District's investments are in LAMP, which are stated at amortized cost.

H. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond September 30, 2013 are recorded as prepaid items.

I. Capitalized Interest

The District capitalizes interest costs and interest earned as part of the cost of constructing various sewerage projects when material. The District capitalized no interest for the year ended September 30, 2011.

K. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

FIRE PROTECTION DISTRICT NO. 2 OF THE PARISH OF ST. MARY  
Cottrellville, Louisiana

Notes to Financial Statements (Continued)

L. Fund Equity

In the fund financial statements, the governmental fund reports reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

(2) Changes in Accounting Principles

For the year ended September 30, 2002, the District has implemented GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The District also implemented GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, No. 31, Basic Financial Statements - And Management's Discussion and Analysis - For State and Local Governments: Circular, No. 28, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenses in Governmental Fund Financial Statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at September 30, 2002 to be restated in terms of "net assets" as follows:

Total fund/balances - Governmental Funds at September 30, 2002		\$ 209,731
Add: Cost of capital assets at September 30, 2002	\$ 408,280	
Less: Accumulated depreciation at September 30, 2002	(49,062)	
Less: Equipment under capitalization threshold	(70,000)	
Less: Long-term capital lease payable at September 30, 2002	(100,500)	
Add: Property tax receivable at September 30, 2002	<u>117,571</u>	<u>311,221</u>
Net assets at September 30, 2002		<u>\$ 311,221</u>

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF ST. MARY  
Cottleville, Louisiana

Notes to Financial Statements (Continued)

(3) Cash

At September 30, 2003, the District has cash (bank balances) totaling \$1,648, as follows:

Interest bearing demand deposits	<u>\$ 1,648</u>
----------------------------------	-----------------

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must 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 bank. 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 September 30, 2003, the District has \$1,614 in deposits (bank balances). These deposits are entirely secured from risk by federal deposit insurance.

(4) Investments

The District can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The District's investments are categorized to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments with securities held by the counterpart's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments with securities held by the counterpart, or by its trust department or agent, but not in the District's name.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors composed of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a1, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

**FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY  
Coushatta, Louisiana**

**Notes to Financial Statements (Continued)**

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by these securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. GASB Statement No. 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7.

At September 30, 2003, the District's investments totaled \$ 144,085 as follows:

Description	Category	Rate	Cost	Market Value
LAMP:				
Government-wide statement of net assets	N/A	variable	<u>\$ 144,085</u>	<u>\$ 144,085</u>

(f) Ad Valorem Taxes

The District's property tax is levied in October of each year on the assessed value of property within the District's taxing area. The taxes are delinquent by January 1 at which time an enforceable lien is attached to the property. The taxes are collected on behalf of the District by the Sheriff and then remitted to the District. Most of the taxes are actually received in January and February.

Ad valorem taxes are budgeted and recorded in the year collected. For the year ended September 30, 2003, taxes applicable to the District's General Fund, were levied at the rate of 4.48 mills on property with net assessed valuations totaling \$34,417,968.

Total taxes levied during 2003 were \$154,536.

**FIRE PROTECTION DISTRICT NO. 2 OF THE PARISH OF ST. MARY**  
**Centerville, Louisiana**

**Notes to Financial Statements (Continued)**

**(6) Capital Assets**

Capital asset activity for the year ended September 30, 2003 was as follows:

	Balance 9/30/2002	Additions	Deletions	Balance 9/30/2003
<b>Governmental activities:</b>				
Work in progress	\$ 52,800	\$ 380,607	\$ -	\$ 433,407
Land	15,000	-	-	15,000
Fire truck	358,405	-	-	358,405
Equipment	117,138	11,270	(70,893)	57,515
Fire hydrants	17,247	-	-	17,247
Building	38,690	33,208	-	71,898
Total	<u>410,280</u>	<u>425,075</u>	<u>(70,893)</u>	<u>764,462</u>
<b>Less: accumulated depreciation</b>				
Fire truck	28,175	11,204	-	40,489
Equipment	10,120	3,408	-	13,618
Fire hydrants	3,041	842	-	3,923
Building	6,786	3,515	-	10,301
Total	<u>48,062</u>	<u>20,209</u>	<u>-</u>	<u>68,271</u>
<b>Net capital assets</b>	<u>\$ 362,218</u>	<u>\$ 404,866</u>	<u>\$ (70,893)</u>	<u>\$ 696,191</u>

Depreciation expense in the amount of \$20,209 was charged to public safety.

**(7) Changes in Long-term Debt**

The following is a summary of long-term debt transactions of the District for the year ended September 30, 2003:

	9/30/2002	Additions	Payments/ Reductions	9/30/2003	Due Within One Year
Capital leases	<u>\$ 186,318</u>	<u>\$ -</u>	<u>\$ 13,625</u>	<u>\$ 90,887</u>	<u>\$ 16,412</u>

**FIRE PROTECTION DISTRICT NO. 2 OF THE PARISH OF ST. MARY**  
*Censenville, Louisiana*

Notes to Financial Statements (Continued)

Capital leases at September 30, 2005 are comprised of the following:

\$169,400 due in annual installments  
of \$21,645 through 02/11/2008;  
interest at 5.00% per annum \$ 98,887

The annual requirements to amortize all capital leases outstanding as of September 30, 2005, are as follows:

Year ending June 30	Principle	Interest
2004	\$ 16,419	\$ 4,626
2005	13,254	3,790
2006	10,123	2,912
2007	8,056	1,869
2008	20,025	1,819
	<u>\$ 98,887</u>	<u>\$14,717</u>

(4) **Joint Venture**

During the year the district entered into a local services/cooperative endeavor agreement with the Water District No. 5 and the Sewer District No. 5 to jointly construct a multi-purpose building. The ownership interest is based on the following percentages: Fire Protection District No. 2 - 60%, Water District No. 5 - 17%, and Sewer District No. 5 - 17%. The estimated total cost of the building is \$491,000 which will be funded by a \$500,000 grant from the State of Louisiana to the St. Mary Parish Government. The remaining balance will be funded by each district based upon their ownership percentages. Each district shall be responsible for maintenance of their respective portions of the multi-purpose building. Maintenance of the grounds and common areas shall be shared equally by the districts.



FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY  
Cottleville, Louisiana

Notes to Financial Statements (Continued)

(3) Compensation Paid To Board Members

The schedule of compensation paid to the board of supervisors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Beggs, Henry	350
Brownard, Alton	420
Hampton, Randy	390
Higley, John	450
Knight Jr., Ulysses	<u>450</u>
	<u>\$ 2,000</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF ST. MARY**  
**Centerville, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**Year Ended September 30, 2009**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>Revenues:</b>			
<b>Local Source-</b>			
Property taxes	\$ 352,347	\$ 347,533	\$ (4,814)
Grant revenues	-	268,467	268,467
Interest income	-	2,582	2,582
<b>Total revenues</b>	<u>352,347</u>	<u>618,582</u>	<u>266,255</u>
<b>Expenditures:</b>			
<b>Current -</b>			
Public safety			
Fire	145,840	74,720	71,120
Debt service	-	31,045	(31,045)
Capital outlay	191,608	425,471	(233,863)
<b>Total expenditures</b>	<u>337,448</u>	<u>531,236</u>	<u>(183,788)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(135,098)</u>	<u>(92,733)</u>	<u>64,365</u>
<b>Fund balance, beginning</b>	<u>269,732</u>	<u>269,732</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 54,634</u>	<u>\$ 177,000</u>	<u>\$ 64,366</u>

The accompanying notes are an integral part of this statement.

REQUIRED BY GOVERNMENT AUDITING STANDARDS

**COMPLIANCE  
AND  
INTERNAL CONTROL**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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James J. Collins, CPA  
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Terry S. Houshield, CPA  
Scott W. Wilson, CPA  
Gregory J. Smith, CPA  
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14 Professional Liability Insurance

MEMBER OF  
NATIONAL SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER OF  
SOCIETY OF COSTUME  
CERTIFIED PUBLIC ACCOUNTANTS

## 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  
Fire Protection District No. 2 of the Parish of St. Mary  
Centerville, Louisiana

We have audited the financial statements of the Fire Protection District No. 2 of the Parish of St. Mary for the year ended September 30, 2003, and have issued our report thereon dated March 26, 2004. We conducted our audit in accordance with auditing 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 the Fire Protection District No. 2 of the Parish of St. Mary's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying corrective action plan for current year findings as item 03-01.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fire Protection District No. 2 of the Parish of St. Mary's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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This report is intended for the information of management and the Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44-3, this report is a matter of public record and its distribution is not limited.

*Kolder, Champagne, Slaven & Company, LLC*  
Certified Public Accountants

Morgan City, Louisiana  
March 28, 2004

FIRE PROTECTION DISTRICT NO. 2 OF THE PARISH OF ST. MARY

Summary Schedule of Audit Results  
Year Ended September 30, 2003

**Part I. Summary of Auditor's Results:**

An unqualified opinion was issued on the financial statements.

The audit did not disclose any reportable conditions in internal control.

The audit disclosed an instance of noncompliance which is material to the financial statements.

A management letter was not issued.

**Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing standards:**

**CONDITION** Budget variances in excess of 5% were incurred.

**CRITERIA** LSA-RS 19:130 et seq, Budgetary Authority and Control, provides for the following:

"A. The adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures. The chief executive or administrative officer shall advise the governing authority or independently elected official in writing when:

- (1) Revenue collection plus projected revenue collections for the remainder of the year, within a fund fail to meet estimated annual revenues by five percent or more.
- (2) Actual expenditures plus projected expenditures for the remainder of the year, within a fund are exceeding estimated budgeted expenditures by five percent or more.
- (3) Actual beginning fund balances, within a fund, fails to meet estimated beginning fund balances by five percent or more and beginning fund balance is being used to fund current expenditures.

**CAUSE** The condition results from a failure to process, update and review general ledger transactions on a timely basis.

**EFFECT** The District may not prevent and/or detect compliance violations due to overexpenditures of the appropriated budget, and/or errors or irregularities on a timely basis.



FORM INSTRUCTIONS SUBJECT NO. 3 OF THE SERIES OF IT-34487

Cambridge, Louisiana

Summary Schedule of Prior Audit Findings

Year Ended September 30, 2003

Final Year Finding Incurred	Planned/Corrective Action/Period Complete
Ref. No. Account Description of Finding	Complete Action Taken (Date, No./Priority)

Section 1 - Internal control and compliance material to the financial statements

Compliance

No items were reported in this section.

Internal Control

No items were reported in this section.

Section 2 - Other Internal control and compliance

Compliance

No items were reported in this section.

Internal Control

No items were reported in this section.

Section 3 - Management Letter

No items were reported in this section.

**REAL PROTECTION CONTRACT NO. 3 OF THE HARRINGTON QT, MAJESTY  
COMMUNITY, LINDSEY**

Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2003

Ref. No.	Description of Finding	Compliance Action Planned	Current Progress	Anticipated Completion Date
<b>Section I - Internal control and compliance material to the financial statements.</b>				
<b>Classification</b>				
01-01	The Five Provisions Chapter No. 3 of the Finance of the Majesty Income Budget contains a variance of 26% in relation of 13.9 - 45.7% (11/1/04 on)	Original budget amounts will be reviewed periodically during the year and adjustments, if necessary, will be properly adopted in concordance with new rates.	John English, Chairman	Year ending September 30, 2004

**Internal Control**

No items are applicable to this section.

**Section II - Other financial control and compliance**

**Classification**

No items are applicable to this section.

**Internal Control**

No items are applicable to this section.

**Section III - Management Letter**

No items are applicable to this section.