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FIRE PROTECTION DISTRICT NO. 3  
OF THE  
PARISH OF ST. MARY  
STATE OF LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS

FOR THE YEAR ENDED

SEPTEMBER 30, 1967

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 8-15-78

C O N T E N T S

	PAGE
<b>FINANCIAL INFORMATION SECTION</b>	
Independent Auditors' Report	1-2
Financial Statements	
Combined Balance Sheet All Funds and Account Groups	3
Statement of Receipts, Expenditures and Changes in Fund Balance	4
Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget & Actual - General Fund	5
Notes to the Financial Statements	8-13
<b>SUPPLEMENTAL INFORMATION - SCHEDULE OF INSURANCE IN FORCE</b>	<b>16</b>
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL STATEMENTS AUDIT CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO</b>	<b>17-19</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAW AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO</b>	<b>20-21</b>

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STATE OF LOUISIANA  
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**INDEPENDENT AUDITORS' REPORT**

The Board of Commissioners  
Fire Protection District No. 3  
of the Parish of St. Mary  
P.O. Box 721  
Amelia, LA 70502

We have audited the accompanying general purpose financial statements of Fire Protection District No. 3, a component unit of the Parish of St. Mary, State of Louisiana, as of and for the year ended September 30, 1997 as listed in the financial information section of the foregoing table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit 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 Fire Protection District No. 3 of the Parish of St. Mary, State of Louisiana as of September 30, 1997 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information as listed in the table of contents, while not considered necessary for a fair presentation of the financial statements, is presented as supplementary analytical data. Such information is marked "unaudited", on which we express no opinion.

In accordance with Government Auditing Standards, we have also issued a report dated January 5, 1998 on our consideration of Fire Protection District's internal control over financial reporting and a report dated January 5, 1998 on its compliance with certain provisions of laws, regulations and contracts.

*Adams & Johnson*

ADAMS & JOHNSON  
Certified Public Accountants

Batterton, Louisiana  
January 5, 1998

**FINANCIAL INFORMATION SECTION**

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

COMBINED BALANCE SHEET  
ALL FUNDS AND ACCOUNT GROUPS  
September 30, 1997  
With Comparative Totals for September 30, 1996

	Government Fund Type General	General Fixed Assets	Totals	
			Non-cash 9/30/97	9/30/96
<b>ASSETS</b>				
Cash	\$ 48,023	\$ ---	\$ 48,023	\$ 78,168
Prepaid Expenses	18,938	---	18,938	8,292
Deposits	1,488	---	1,488	1,469
Property, Plant & Equipment	---	211,468	211,468	202,802
<b>Total Assets</b>	<b>\$ 68,449</b>	<b>\$ 211,468</b>	<b>\$ 281,008</b>	<b>\$ 290,647</b>
<b>LIABILITIES, EQUITY &amp; OTHER CREDITS</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 1,897	\$ ---	\$ 1,897	\$ 363
Payroll Taxes Payable	388	---	388	382
<b>Total Liabilities</b>	<b>\$ 2,285</b>	<b>\$ ---</b>	<b>\$ 2,285</b>	<b>\$ 745</b>
<b>Equity &amp; Other Credits</b>				
Investments in General Fixed Assets	\$ ---	\$ 211,468	\$ 211,468	\$ 202,802
Fund Balances Unreserved/Undesignated	78,451	---	78,451	78,222
<b>Total Equity &amp; Other Credits</b>	<b>78,451</b>	<b>211,468</b>	<b>289,919</b>	<b>281,192</b>
<b>Total Liabilities, Equity &amp; Other Credits</b>	<b>\$ 80,736</b>	<b>\$ 211,468</b>	<b>\$ 292,205</b>	<b>\$ 281,947</b>

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

FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES, AND  
CHANGES IN FUND BALANCE

For the Year Ended September 30, 1997

With Comparative Totals for September 30, 1996

	General Fund	
	9/30/97	9/30/96
<b>RECEIPTS</b>		
Ad Valorem Taxes	\$ 78,000	\$ 85,000
Interest	<u>2,000</u>	<u>2,100</u>
<b>Total Receipts</b>	<b>\$ 80,000</b>	<b>\$ 87,100</b>
<b>EXPENDITURES</b>		
Advertising	\$ 900	\$ 300
Fuel	621	925
Insurance	16,988	15,500
Legal and Accounting	1,175	2,875
Office Expense	1,118	1,179
Par Diem - Board Members	1,200	1,500
Repairs and Maintenance	5,310	4,248
Rent	500	500
Supplies	2,310	8,800
Telephone	1,871	2,301
Uniforms	90	90
Utilities	3,404	3,901
Capital Outlay	8,850	16,280
Salaries	10,880	10,000
Taxes	780	800
Retirement	2,780	2,780
Education	<u>2,631</u>	<u>6,400</u>
<b>Total Expenditures</b>	<b><u>82,476</u></b>	<b><u>86,720</u></b>
Excess of Receipts over (Under) Expenditures	<b>\$- 2,476</b>	<b>\$- 7,620</b>
<b>FUND BALANCE</b>		
Beginning of Year	<u>79,390</u>	<u>87,240</u>
<b>End of Year</b>	<b>\$ 76,914</b>	<b>\$ 79,620</b>

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

FIRE PROTECTION DISTRICT NO. 3  
 OF THE PARISH OF ST. BERT  
 STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 For the Year Ended September 30, 1997

	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>			
Ad Valorem Taxes	\$ 75,000	\$ 78,651	\$ 3,651
Interest	1,000	2,883	1,883
<b>Total Revenues</b>	<b>\$ 76,000</b>	<b>\$ 81,534</b>	<b>\$ 5,534</b>
<b>EXPENDITURES</b>			
Capital Outlay	\$ 67,000	\$ 8,888	\$ 58,112
Operating Expenses	47,880	40,252	7,628
Fire Department Expenses	10,880	32,266	21,386
<b>Total Expenditures</b>	<b>125,760</b>	<b>81,406</b>	<b>44,354</b>
<b>Excess Expenditures Over Receipts</b>	<b>\$- 49,760</b>	<b>\$- 940</b>	<b>\$ 48,820</b>
<b>FUND BALANCE</b>			
Beginning of Year	13,331	13,331	0
<b>FUND BALANCE</b>	<b>\$ 13,331</b>	<b>\$ 12,391</b>	<b>\$ 1,040</b>

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



FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended September 30, 1997

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Fire Protection District No. 3 of the Parish of St. Mary, State of Louisiana, was created by Ordinance No. 1084 of the St. Mary Parish Council on July 27, 1988. The District encompasses Ward Nine of the Parish of St. Mary, State of Louisiana. The purpose of the District is to provide fire protection in that portion of the Parish. They primarily accomplish this by providing equipment to and reimbursing the Assisla Volunteer Fire Department for fire protection expenses. The Assisla Volunteer Fire Department is located within the District which encompasses Fire Protection District No. 3.

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 24:517, and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

**A) REPORTING ENTITY**

GAAP statement No. 14, Governmental Reporting Entity, establishes criteria for determining which organizations should be included in a governmental financial reporting entity. The focal point for defining the financial reporting entity is the primary government. Fire Protection District No. 3 is a component unit of the St. Mary Parish Council (primary government) and, as such, these financial reports may be included in the CAFR of the Council for the year ended December 31, 1997. Fire Protection District No. 3 has followed GASB-14 guidance to determine that there are no financial statements of other organizations that should be combined with their statements to form a financial reporting entity.

FIREF PROTECTION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS(Continued)  
For the Year Ended September 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B) BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balances, revenues and expenditures. The following fund type and account group is used by the District:

Governmental Fund Type

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. Currently the General Fund is the only fund required by the District to account for its operation.

Governmental Account Group

General Fixed Assets - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the Year Ended September 30, 1997

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**INVESTMENTS** - Investments are stated at cost. Statutes authorizing the Fire Protection District No. 3 to invest in certificates of deposit, repurchase agreements, passbooks, bankers acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit, as required.

**Comparative Data** - Comparative totals for the prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in the District's financial position and operations. However, presentation of prior year totals by fund type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total columns on the combined financial statements are captioned "memoranda only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**C) BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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.

FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF ST. MART  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the Year Ended September 30, 1993

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The modified accrual basis of accounting is followed by the governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The following is a summary of how the District accounts for its revenues and expenditures.

**Receipts**

Ad valorem taxes (which are based on population and households in the District) are recorded in the year the tax assessments are mailed to the taxpayers.

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, except principal and interest on general long-term debt which is not recognized until due.

**B) BUDGETS**

Budgets are adopted on a basis consistent with generally accepted accounting principles. An accrual budget is adopted for the general fund. This budget is a nonappropriated budget, which is approved by the Board of Commissioners in a manner authorized by statute. Encumbrances are not recorded by the District.

FIRE PROTECTION DISTRICT NO. 1  
OF THE PARISH OF ST. HENRY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the Year Ended September 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8) **FIXED ASSETS**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets in the general fixed assets account group are not depreciated. All fixed assets reflected on the balance sheet as of September 30, 1997 & 1996 are stated at historical cost.

9) **ACCUMULATED VACATION, COMPENSATORY TIME AND SICK LEAVE**

Accumulated vacation, compensatory time and sick leave are recorded as an expenditure of the period in which earned. Unrecorded liabilities for the above are an immaterial amount for the years ended September 30, 1997 and September 30, 1996.

NOTE 2 - CASH AND CASH EQUIVALENTS

For financial statement purposes, cash and cash equivalents include demand deposits and certificates of deposit with a maturity of three months or less.

Cash and cash equivalents are stated at cost, which approximates market.

On September 30, 1997 and September 30, 1996, the carrying amount of the District's deposits (cash) were \$88,027 and \$73,364 and the bank balance was \$88,027

WINE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the Year Ended September 30, 1997

**NOTE 2 - CASH & CASH EQUIVALENTS (Continued)**

and \$73,164. The entire bank balance was covered by federal depository insurance or by collateral held by the District's agent in the District's name.

**NOTE 3 - 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 & February. For the years ended September 30, 1997 and 1996, total taxes collected were \$78,861 and \$88,864. The millage assessed on the property for the years ended September 30, 1997 and 1996 was 5 mills.

**NOTE 4 - FIXED ASSETS**

The following is a summary of changes in the general fixed assets account group for the fiscal year:

	Balance <u>9/30/96</u>	Additions	Retirements	Balance <u>9/30/97</u>
Equipment	\$182,822	\$ 8,468	\$-----	\$191,290
Total General Fixed Assets	\$182,822	\$ 8,468	\$ ---	\$191,290
	*****	*****	*****	*****

**NOTE 5 - LEASES**

The District has no material long-term non-cancelable lease commitments at September 30, 1997 and 1996.

FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the Year Ended September 30, 1997

**NOTE 6 - COMPENSATION OF BOARD MEMBERS**

Board members received the following per diem for the years ended September 30, 1997 and 1996.

Name	September 30, 1997		September 30, 1996	
	Meetings Attended	Amount	Meetings Attended	Amount
Joseph Foret, Jr.	8	\$ 240	11	\$ 330
Leroy Cassales	9	270	10	300
Errol Tabor	0	0	3	90
Larry Montet	5	150	7	210
Barbara Gaudet	8	240	10	300
Curtis Verret	10	300	7	210
		\$1,500		\$1,530

**NOTE 7 - RETIREMENT PLAN**

The only employee of the Fire Protection District No. 3 of St. Mary Parish is a member of the Louisiana Firefighters' Retirement System (System), a multiple-employer (cost-sharing) public employee retirement system (PERS), controlled and administered by a separate board of trustees. Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish or fire protection district that did not enact an ordinance prior to January 1, 1990, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 58 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their

FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the Year Ended September 30, 1997

NOTE 7 - RETIREMENT PLAN (Continued)

employees contributions may retire at or after age 55 for at or after age 50 with at least 20 years of creditable service at termination and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute. State statute requires covered employees to contribute a percentage of their salaries to the System. Employer contributions are determined annually based on results of the valuation of the prior fiscal year with adjustments for all dedicated tax monies or appropriated funds.

The following provides certain disclosures for the district and the retirement system that are required by GASB Codification Section 920.127:

	September 30, 1997	September 30, 1996
Total current-year payroll	\$ 30,800	\$ 31,028
Total current-year covered payroll	\$ 30,800	\$ 31,028



FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the Year Ended September 30, 1997

NOTE 7 - RETIREMENT PLAN (Continued)

September 30, 1997

	Required by Statute		Actual		Actuarially Required	
	Percent	Amount	Percent	Amount	Percent	Amount
Contributions:						
Employees	0.00%	\$ 2,400	0.00%	\$ 2,400	0.00%	\$ 2,400
Employer	0.00%	2,280	0.00%	2,280	0.00%	2,400
Total	0.00%	\$ 4,680	0.00%	\$ 4,680	0.00%	\$ 4,800

Percent of employer's actuarially  
required contribution of all  
participating employers

.02%  
\*\*\*\*\*

The fiscal year of the System is from July 1 through June 30. The  
pension benefit obligation is presented as of June 30, 1997.

Year Ended June 30, 1997

Retirement System

Net assets	\$ 475,344,743
Pension benefit obligation	<u>520,367,351</u>
Unfunded pension benefit obligation	\$ 44,022,608 *****

FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the Year Ended September 30, 1997

NOTE 7 - RETIREMENT PLAN (Continued)

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among years and employees. The System does not make separate measurements of assets and pension benefit obligations for individual employees.

Ten year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1997, comprehensive annual financial report. The Fire Protection District No. 3 of St. Mary Parish does not guarantee benefits granted by the System.

FIRE PROTECTION DISTRICT NO. 3  
 OF THE PARISH OF ST. MARY  
 STATE OF LOUISIANA

Schedule of Insurance in Force

September 30, 1987  
 (Unaudited)

<u>INSURER</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>
United National	Public Officials Aggregate	\$1,000,000	7-08-88
American Alternative Ins.	Commercial Auto Liability Bodily Injury Property Damage	\$ 500,000 500,000 10,000	5-10-88
American Alternative Ins.	General Liability Aggregate Each Occurrence Fire Damage Medical	\$1,000,000 500,000 500,000 5,000	5-10-88
American Alternative Ins.	Building Portable Equipment	\$ 100,500 Replacement cost	5-10-88

FIRE PROTECTION DISTRICT NO. 1  
OF THE  
PARISH OF ST. BESSY  
STATE OF LOUISIANA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL  
STATEMENTS AUDIT CONDUCTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

YEAR ENDED SEPTEMBER 30, 1997

# ADAMS & JOHNSON

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MEMBER  
AMERICAN SOCIETY OF  
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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL STATEMENTS AUDIT CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

To the Board of Commissioners  
Fire Protection District No. 3  
of the Parish of St. Mary  
P.O. Box 831  
Amelia, LA 70340

We have audited the general purpose financial statements of the Fire Protection District No. 3, a component unit of the Parish of St. Mary, State of Louisiana, for the year ended September 30, 1997, and have issued our report thereon dated January 3, 1998.

We conducted our audit in accordance with generally accepted auditing standards 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 from material misstatement.

In planning and performing our audit of the general purpose financial statements of Fire Protection District No. 3, for the year ended September 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The management of the Fire Protection District No. 3 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from

unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected.

Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

**Finding:**

Our examination disclosed that there is not any segregation of duties within the District's accounting function. (In the areas of cash receipts, bank reconciliations, and cash disbursements.) This weakness is due to the fact that the District utilizes one person in the bookkeeping function. Due to the lack of segregation of duties, possible errors or irregularities could occur in the accounting records and not be detected. Understandably, due to the limited number of personnel, the most ideal system of internal control or the most desirable accounting system may not be practicable. Also the cost of additional employees might exceed any benefits gained.

**Recommendation:**

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties. We recommend that management continually monitor accounting functions in an effort to assess their cost-benefit.

**Management Response:**

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

This report is intended solely for the use of Fire Protection District No. 1, The St. Mary Parish Council and the Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Fire Protection District No. 1 is a matter of public record.

*Adams & Johnson*

ADAMS & JOHNSON  
Certified Public Accountants

Patterson, Louisiana  
January 5, 1988

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
LAWB AND REGULATIONS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

YEAR ENDED SEPTEMBER 30, 1997



# ADAMS & JOHNSON

CERTIFIED PUBLIC ACCOUNTANTS  
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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAW AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

To the Board of Commissioners  
Fire Protection District No. 3  
of the Parish of St. Mary  
P.O. Box 311  
Amelia, LA 70440

We have audited the general purpose financial statements of the Fire Protection District No. 3, a component unit of the Parish of St. Mary, State of Louisiana for the year ended September 30, 1997, and have issued our report thereon dated January 8, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants, applicable to Fire Protection District No. 3 is the responsibility of Fire Protection District No. 3's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Fire protection District No. 3's compliance with certain provisions of laws, regulations, contracts, and grants. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the use of Fire Protection District No. 3, The St. Mary Parish Council and the Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by Fire Protection District No. 3 is a matter of public record.

*Adams & Johnson*

ADAMS & JOHNSON  
Certified Public Accountants

Batterson, Louisiana  
January 5, 1990