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

Financial Statements

December 31, 1998

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 7-28-99

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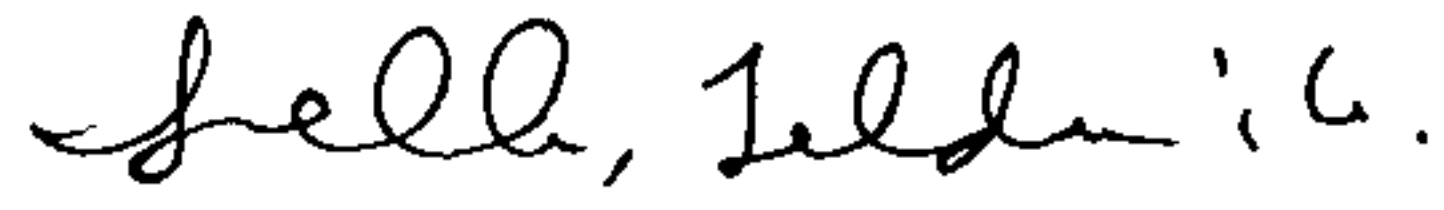
A Professional Corporation of Certified Public Accountants

To the Commissioners of Fire Protection District  
No. 1 of the Parish of St. Mary  
Franklin, Louisiana

We have compiled the accompanying general purpose financial statements of the Fire Protection District No. 1 of the Parish of St. Mary, a component unit of the Parish of St. Mary, Franklin, Louisiana, as of and for the year ended December 31, 1998 as listed in the table of contents, and the accompanying supplementary information which is presented only for supplementary analysis purposes in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 23, 1999, on the results of our agreed-upon procedures.

  
INZERELLA, FELDMAN & CO.  
CERTIFIED PUBLIC ACCOUNTANTS

June 23, 1999

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Fire Protection District No. 1 of the  
Parish of St. Mary  
Franklin, Louisiana  
All Fund Types and Account Groups  
Balance Sheet  
December 31, 1998

|  | <u>GOVERNMENTAL<br/>FUNDS</u> | <u>ACCOUNT<br/>GROUPS</u>           | <u>TOTAL<br/>(MEMORANDUM<br/>ONLY)</u> |
|--|-------------------------------|-------------------------------------|--|
|  | <u>General<br/>Fund</u>       | <u>General<br/>Fixed<br/>Assets</u> | <u></u>                                |
| <b>ASSETS</b>  |                               |                                     |  |
| Cash and cash equivalents                              | \$ 75,132                     | \$                                  | \$ 75,132                              |
| Certificates of deposit                                | 800,000                       |                                     | 800,000                                |
| Receivables  | 95,506                        |                                     | 95,506                                 |
| Land, buildings, and equipment                         |                               | 307,566                             | 307,566                                |
| <b>TOTAL ASSETS</b>                                    | <u>\$ 970,638</u>             | <u>\$ 307,566</u>                   | <u>\$ 1,278,204</u>                    |
| <b>LIABILITIES, EQUITY, AND<br/>OTHER CREDITS</b>      |                               |                                     |  |
| <b>LIABILITIES</b>                                     |                               |                                     |  |
| Accounts payable                                       | \$ 5,533                      | \$                                  | \$ 5,533                               |
| <b>TOTAL LIABILITIES</b>                               | <u>5,533</u>                  | <u>0</u>                            | <u>5,533</u>                           |
| <b>EQUITY AND OTHER CREDITS</b>                        |                               |                                     |  |
| Investment in general fixed assets                     |                               | 307,566                             | 307,566                                |
| <b>FUND BALANCES</b>                                   |                               |                                     |  |
| Unreserved   |                               |                                     |  |
| Designated for -                                       |                               |                                     |  |
| Acquisition of building                                | 800,000                       |                                     | 800,000                                |
| Undesignated   | 165,105                       |                                     | 165,105                                |
| <b>TOTAL EQUITY AND OTHER CREDITS</b>                  | <u>965,105</u>                | <u>307,566</u>                      | <u>1,272,671</u>                       |
| <b>TOTAL LIABILITIES, EQUITY AND<br/>OTHER CREDITS</b> | <u>\$ 970,638</u>             | <u>\$ 307,566</u>                   | <u>\$ 1,278,204</u>                    |

See Accountants' Compilation Report  
The accompanying notes are an integral  
part of these financial statements.

Fire Protection District No. 1 of the  
Parish of St. Mary  
Franklin, Louisiana  
Governmental Funds  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended December 31, 1998

|   | <u>General<br/>Fund</u>     |
|---|-----------------------------|
| <b>REVENUES</b>   |                             |
| Ad valorem taxes  | \$103,880                   |
| Intergovernmental revenues  |                             |
| Other grants  | 15,724                      |
| Interest earnings   | <u>43,758</u>               |
| <br><b>TOTAL REVENUES</b>   | <br><u><b>163,362</b></u>   |
| <br><b>EXPENDITURES</b>   |                             |
| Current   |                             |
| General government  | 23,909                      |
| Public safety   | 8,759                       |
| Capital outlay  | <u>7,438</u>                |
| <br><b>TOTAL EXPENDITURES</b>   | <br><u><b>40,106</b></u>    |
| <br><b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>                                      | <br><u><b>123,256</b></u>   |
| <br><b>OTHER FINANCING SOURCES (USES)</b>   | <br><u><b>0</b></u>         |
| <br><b>EXCESS (DEFICIENCY) OF REVENUES<br/>AND OTHER SOURCES OVER<br/>EXPENDITURES AND OTHER USES</b> | <br><b>123,256</b>          |
| <br><b>FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR</b>   | <br><u><b>841,849</b></u>   |
| <br><b>FUND BALANCES (DEFICIT) AT END OF YEAR</b>   | <br><u><b>\$965,105</b></u> |

See Accountants' Compilation Report  
The accompanying notes are an integral  
part of these financial statements.



A Professional Corporation of Certified Public Accountants

Fire Protection District No. 1 of the  
Parish of St. Mary  
Franklin, Louisiana  
Governmental Fund - General Fund  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 1998

|  | <u>BUDGET</u>         | <u>ACTUAL</u>         | <u>VARIANCE -<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
|--|-----------------------|-----------------------|---|
| REVENUES   |                       |                       |   |
| Ad valorem taxes   | \$ 104,400            | \$ 103,880            | \$ (520)  |
| Intergovernmental revenues   | 15,700                | 15,724                | 24  |
| Interest earnings  | <u>43,000</u>         | <u>43,758</u>         | <u>758</u>  |
| <br>TOTAL REVENUES   | <br><u>163,100</u>    | <br><u>163,362</u>    | <br><u>262</u>                                    |
| EXPENDITURES   |                       |                       |   |
| Current  |                       |                       |   |
| General government   | 27,350                | 23,909                | 3,441   |
| Public safety  | 15,500                | 8,759                 | 6,741   |
| Capital outlay   | <u>231,500</u>        | <u>7,438</u>          | <u>224,062</u>                                    |
| <br>TOTAL EXPENDITURES   | <br><u>274,350</u>    | <br><u>40,106</u>     | <br><u>234,244</u>                                |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES                                     | <br><u>(111,250)</u>  | <br><u>123,256</u>    | <br><u>234,506</u>                                |
| OTHER FINANCING SOURCES (USES)   | <u>0</u>              | <u>0</u>              | <u>0</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>AND OTHER SOURCES OVER<br>EXPENDITURES AND OTHER USES | <br>(111,250)         | <br>123,256           | <br>234,506                                       |
| FUND BALANCES (DEFICIT) AT<br>BEGINNING OF YEAR  | <br><u>840,000</u>    | <br><u>841,849</u>    | <br><u>1,849</u>                                  |
| FUND BALANCES (DEFICIT) AT<br>END OF YEAR  | <br><u>\$ 728,750</u> | <br><u>\$ 965,105</u> | <br><u>\$ 236,355</u>                             |

See Accountants' Compilation Report  
The accompanying notes are an integral  
part of these financial statements.



**INZERELLA, FELDMAN**  
and Company

A Professional Corporation of Certified Public Accountants



Fire Protection District No. 1 of the Parish of St. Mary  
Franklin, Louisiana  
Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

The Fire Protection District No. 1 of the Parish of St. Mary was created under the provisions of Part I, Chapter 7, Title 40 of the Louisiana Revised Statutes of 1950, and other constitutional and statutory authority supplemental thereto.

The purpose of the Fire Protection District No. 1 of the Parish of St. Mary, is to acquire, construct, improve, maintain and operate fire protection facilities and equipment, including the cost of obtaining water for fire protection purposes, and all purposes incidental thereto.

There have been five Commissioners appointed by the St. Mary Parish Council.

The Fire Protection District No. 1 of the Parish of St. Mary shall comprise all of the territory within Ward 2 of the Parish of St. Mary, State of Louisiana, lying to the south and southwest of the centerline of the Gulf Intracoastal Waterway.

There are no employees as of December 31, 1998.

The following is a summary of certain significant accounting policies.

A. Basis of Presentation

The accompanying general purpose financial statements of the Fire Protection District No. 1 of the Parish of St. Mary have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. 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 (parish council), (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.

Fire Protection District No. 1 of the Parish of St. Mary  
Franklin, Louisiana  
Notes to the Financial Statements (Continued)

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:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the parish council to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council.
2. Organizations for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.
3. 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.

Because the parish council appointed a governing board, and this board has to account for fiscal matters, the district was determined to be 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 parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

**C. Fund Accounting**

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.



Fire Protection District No. 1 of the Parish of St. Mary  
Franklin, Louisiana  
Notes to the Financial Statements (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the district are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Currently, governmental funds of the district include:

1. General Fund--the general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

**D. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for by using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental 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 governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Ad valorem taxes are recorded in the year of assessment. Interest income on investments and on ad valorem taxes are recorded when earned. Grants and other revenue are recorded when received.

**Expenditures**

Expenditures are recorded when the related fund liability is incurred.

Fire Protection District No. 1 of the Parish of St. Mary  
Franklin, Louisiana  
Notes to the Financial Statements (Continued)

E. Budgets

The District uses the following budget practices:

Annually, the Board of Commissioners adopts a budget for the General Fund. The budget practices include public notice of the proposed budget and a public hearing on the budget. All budgeting appropriations lapse at the end of each year. Total expenditures may not legally exceed appropriations by more than 5%. To amend the budget, the board shall adopt a budget amendment in an open meeting to reflect such change. The General Fund budget is prepared on the modified accrual basis of accounting and includes original adopted budget amounts and all subsequent amendments. The Board does not use a system of encumbrances.

F. Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. The Fire Protection District No. 1 of the Parish of St. Mary considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. 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.

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. Ad Valorem Taxes Receivable

Receivables are written off directly to bad debt expense when they are determined to be uncollectible. Bad debt expense under the allowance method would not be materially different.

H. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Prior to January 1, 1990, the St. Mary Parish Council was governing authority of the District, and did not maintain general fixed asset records. As such, general fixed asset records have been compiled by the Board of Commissioners using estimated acquisition costs.

Fire Protection District No. 1 of the Parish of St. Mary  
Franklin, Louisiana  
Notes to the Financial Statements (Continued)

I. Fund Equity

Designated fund balances represent tentative plans for future use of financial resources.

J. Total Memorandum Column on Balance Sheet

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

Note 2 - Cash and Cash Equivalents

At December 31, 1998, the District has cash and cash equivalents (book balances) totaling \$75,132 as follows:

|               |                 |
|---------------|-----------------|
| Regions Bank  | \$ 37,314       |
| Hibernia Bank | 37,318          |
| Petty Cash    | <u>500</u>      |
|               | <u>\$75,132</u> |

These deposits are stated at cost, which approximates market. Under state law, these deposits 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. 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 (GASB Category 3). At December 31, 1998, the district had the following bank balance at each of the financial institutions:

|                        | <u>Hibernia<br/>Bank</u> | <u>Regions<br/>Bank</u> |
|------------------------|--------------------------|-------------------------|
| Bank balance           | \$ 0                     | \$ 38,184               |
| Savings balance        | 37,318                   |                         |
| Certificate of deposit | <u>800,000</u>           | <u>          </u>       |
| <br>Total on deposit   | <br>837,318              | <br>38,184              |
| FDIC coverage          | (100,000)                | (100,000)               |
| Pledged coverage       | <u>(793,419)</u>         | <u>          </u>       |
|                        | <u>\$ (56,101)</u>       | <u>\$ (61,816)</u>      |

Fire Protection District No. 1 of the Parish of St. Mary  
Franklin, Louisiana  
Notes to the Financial Statements (Continued)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - Levied Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the current fiscal year, taxes were levied by the District in October and were billed to the taxpayers in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of St. Mary Parish and are collected by the Sheriff.

For the year ended December 31, 1998, taxes were levied on property with assessed valuations totaling \$6,886,313 and were dedicated as follows:

|   |                    |
|---|--------------------|
| Fire Protection District No. 1<br>of the Parish of St. Mary | <u>15.16 mills</u> |
|---|--------------------|

Total taxes levied were \$103,880.

Note 4 - Receivables

The following is a summary of receivables at December 31, 1998:

| <u>Class of receivables</u> | <u>General Fund</u> |
|-----------------------------|---------------------|
| Ad valorem taxes            | \$ 93,940           |
| Accrued interest receivable | <u>1,566</u>        |
| Total                       | <u>\$ 95,506</u>    |



Fire Protection District No. 1 of the Parish of St. Mary  
Franklin, Louisiana  
Notes to the Financial Statements (Continued)

Note 5 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

|                         | Balance<br>January 1,<br>1998 | <u>Additions</u>       | <u>Deductions</u>  | Balance<br>December 31,<br>1998 |
|-------------------------|-------------------------------|------------------------|--------------------|---------------------------------|
| Buildings               | \$ 30,000                     | \$ 0                   | \$ 0               | \$ 30,000                       |
| Equipment and furniture | 190,457                       | 7,438                  | 0                  | 197,895                         |
| Land and Improvements   | <u>79,671</u>                 | <u>0</u>               | <u>0</u>           | <u>79,671</u>                   |
| <b>Total</b>            | <b><u>\$ 300,128</u></b>      | <b><u>\$ 7,438</u></b> | <b><u>\$ 0</u></b> | <b><u>\$ 307,566</u></b>        |



Supplementary Information

Fire Protection District No. 1 of the  
 Parish of St. Mary  
 Franklin, Louisiana  
 Governmental Fund - General Fund  
 Schedule of Expenditures  
 Compared to Budget (GAAP Basis)  
 For the Year Ended December 31, 1998

|                              | <u>BUDGET</u>     | <u>ACTUAL</u>    | <u>VARIANCE -<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
|------------------------------|-------------------|------------------|---|
| <b>EXPENDITURES</b>          |                   |                  |   |
| Current                      |                   |                  |   |
| General government           |                   |                  |   |
| Bank Charges                 | \$ 100            | \$ 0             | \$ 100  |
| Dues                         | 600               | 728              | (128)   |
| Electric                     | 900               | 900              | 0   |
| Insurance                    | 5,500             | 4,785            | 715   |
| Miscellaneous                | 1,000             | 662              | 338   |
| Office Expense               | 1,000             | 48               | 952   |
| Assessor's Pension           | 4,000             | 3,124            | 876   |
| Telephone                    | 1,200             | 1,463            | (263)   |
| Professional Fees            | 3,000             | 2,449            | 551   |
| Outside Services             | 8,250             | 8,250            | 0   |
| Directors' Fees              | <u>1,800</u>      | <u>1,500</u>     | <u>300</u>  |
| Total general government     | <u>27,350</u>     | <u>23,909</u>    | <u>3,441</u>                                      |
| Public safety                |                   |                  |   |
| Communication                | 2,000             | 85               | 1,915   |
| Grounds and Buildings        |                   |                  |   |
| Maintenance                  | 3,500             | 4,498            | (998)   |
| Prevention Services          | 3,000             | 3,300            | (300)   |
| Public Safety Equipment      | 2,500             | 365              | 2,135   |
| Training                     | 1,000             | 260              | 740   |
| Trucks and Pumps Maintenance | 1,000             | 79               | 921   |
| Water Supply                 | 1,500             | 0                | 1,500   |
| Health and Safety            | <u>1,000</u>      | <u>172</u>       | <u>828</u>  |
| Total public safety          | <u>15,500</u>     | <u>8,759</u>     | <u>6,741</u>                                      |
| Capital outlay               | <u>231,500</u>    | <u>7,438</u>     | <u>224,062</u>                                    |
| <b>TOTAL EXPENDITURES</b>    | <u>\$ 274,350</u> | <u>\$ 40,106</u> | <u>\$ 234,244</u>                                 |

See Accountants' Compilation Report

Page 13



Fire Protection District No. 1 of the  
Parish of St. Mary  
Franklin, Louisiana  
Supplemental Information Schedule  
For the Year Ended December 31, 1998

Compensation Paid Board Members

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Louisiana Legislature. Members of the governing boards of fire protection districts may be paid a per diem of thirty dollars for attending meetings of the board, not to exceed two meetings in any one calendar month, as provided by Section 1948 of Title 40 of the Louisiana Revised Statute of 1950, as amended.

Section 1948 of Title 40 of the Louisiana Revised Statute of 1950, as amended, also provides that if a member is elected secretary or treasurer or secretary-treasurer of the board, he may be compensated additionally for such office.

See Accountants' Compilation Report



Fire Protection District No. 1 of the  
Parish of St. Mary  
Franklin, Louisiana  
Schedule of Compensation Paid Board Members  
For the Year Ended December 31, 1998

COMPENSATION PAID TO BOARD MEMBERS

|                 |                |
|-----------------|----------------|
| Robert Auerbach | \$ 360         |
| Richard Legnon  | 360            |
| Nicky Begnaud   | 360            |
| Hazel Anderson  | 300            |
| Butch Schouest  | 90             |
| Donna Schouest  | <u>30</u>      |
|                 | <u>\$1,500</u> |

COMPENSATION PAID TO SECRETARY

|                 |                |
|-----------------|----------------|
| Robert Auerbach | <u>\$6,000</u> |
|-----------------|----------------|

COMPENSATION PAID TO TREASURER

|                |                |
|----------------|----------------|
| Richard Legnon | <u>\$2,250</u> |
|----------------|----------------|

See Accountants' Compilation Report

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Attestation Reports





A Professional Corporation of Certified Public Accountants

Independent Accountants' Report  
on Applying Agreed-Upon Procedures

To the Commissioners of Fire Protection  
District No. 1 of the Parish of St. Mary

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Fire Protection District No. 1 of the Parish of St. Mary and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Fire Protection District No. 1 of the Parish of St. Mary's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures 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.

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 38:2211-2251 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$15,000.

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To the Commissioners of Fire Protection  
District No. 1 of the Parish of St. Mary

*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 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list. There were no employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

As noted in agreed-upon procedure (3), there were no employees.

*Budgeting*

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and the amended budget.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on December 23, 1997 which indicated that the budget had been adopted by the commissioners of Fire Protection District No. 1 of the Parish of St. Mary by a unanimous vote. We traced the adoption of the amended budget to the minutes of a meeting held on November 25, 1998 which indicated that the amended budget had been adopted by the commissioners of Fire Protection District No. 1 of the Parish of St. Mary by a unanimous vote.

To the Commissioners of Fire Protection  
District No. 1 of the Parish of St. Mary

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures for the year did not exceed budgeted amounts by more than 5%. Actual revenues were not less than the budgeted amount for 1998.

*Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account, and:

The payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Each of the disbursements were traced to the district's minute book where they were approved by the full commission.

*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 through 42:12 (the open meetings law).

To the Commissioners of Fire Protection  
District No. 1 of the Parish of St. Mary

Fire Protection District No. 1 of the Parish of St. Mary is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

*Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

*Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

A reading of the minutes of the district for the year indicated no approval for the payments noted. As noted in agreed-upon procedure (3), there were no payroll records 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.

To the Commissioners of Fire Protection  
District No. 1 of the Parish of St. Mary

This report is intended solely for the use of management of Fire Protection District No. 1 of the Parish of St. Mary 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. However, this report is a matter of public record and its distribution is not limited.

  
INZERELLA, FELDMAN & CO.  
CERTIFIED PUBLIC ACCOUNTANTS

June 23, 1999



**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

02-02-99 (Date Transmitted)

Inzerella, Feldman & Company

Certified Public Accountants

P.O. Box 9408

New Iberia, LA 70562-9408

(Auditors)

12-31-98

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation 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.<sup>17</sup>

These representations are based on the information available to us as of 02-02-99 (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No [ ]

**Code of Ethics for Public Officials and Public Employees**

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 that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No [ ]

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 after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No [ ]

**Accounting and Reporting**

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 44:1, 44:7, 44:31, and 44:36.

Yes [] No [ ]

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A Professional Corporation of Certified Public Accountants

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No [ ]

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

Yes [] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No [ ]

**Debt**

It is true 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 39:1410.60-1410.65.

Yes [] No [ ]

**Advances and Bonuses**

It is true 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 79-729.

Yes [] No [ ]

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.

|                        |           |               |      |
|------------------------|-----------|---------------|------|
| <u>R.W. Auerbach</u>   | Secretary | <u>2/2/99</u> | Date |
| <u>Richard Legrand</u> | Treasurer | <u>2/2/99</u> | Date |
| <u>R.W. Auerbach</u>   | President | <u>2/2/99</u> | Date |