

**MAMOU FIRE PROTECTION
DISTRICT NO. 1**

Evangeline Parish, Louisiana

Financial Report

Year Ended December 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/11/04

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(A Corporation of Certified Public Accountants)

Mr. Rheinhard Bieber, President
Mamou Fire Protection District No. 1
909 Cherry St.
Mamou, Louisiana 70554

We have compiled the accompanying financial statements of the Mamou Fire Protection District No. 1, a component unit of the Evangeline Parish Police Jury, as of and for the year ended December 31, 2003 in accordance with Statements for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the Board of Commissioners of Mamou Fire Protection District No. 1. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of State law, we have issued a report, dated May 27, 2004, on the results of our agreed-upon procedures.

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants

Eunice, Louisiana
May 27, 2004

Eugene H. Darnall, CPA, Retired 1990
Paula D. Bihm, CPA, Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. HigginBotham, CPA
John P. Armato, CPA
Jennifer S. Ziegler, CPA, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA

Erich G. Loewer, Jr. CPA, CVA

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Jeremy C. Meaux, CPA
Kevin S. Young, CPA
Barbara Ann Watts, CPA
Adam J. Curry, CPA

Member of:
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis

As management of the Mamou Fire Protection District No. 1, we provide readers of the District's financial statements this narrative overview and analysis of the financial activities of the District, for the twelve months ended December 31, 2003. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

The financial statements provide these insights into the results operations for the twelve months ended December 31, 2003.

- A significant portion of the District's net assets (76%) are invested in capital assets, which accounts for \$923,872 of the District's \$1,221,703 total net assets.
- Operating revenues totaled \$206,369 while operating expenses totaled \$230,919 with salaries and payroll taxes representing 7 percent.
- The District noted a negative cash flow of \$81,905 from operations due to building enlargements to the W.C. Reed and Vidrine substations.

Using This Financial Report

This report contains a series of financial statements. The statement of net assets on page 7 and the statement of revenues, expenses, and changes in net assets on page 8 provide information on all activities of the District as a whole. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The accompanying financial statements present information only on the funds maintained by the District.

All of the District's expenses incurred for the provision of fire services are reported in a governmental fund. This fund is reported using the accrual basis of accounting, which measures revenues when earned and expenses when incurred.

The Fund Maintained by the District as a Whole

Our analysis below will focus on key elements of the total funds for the twelve months ended December 31, 2003.

Condensed Statement of Net Assets

Assets:	
Current assets	\$ 387,831
Capital assets	<u>923,872</u>
Total assets	<u>\$1,311,703</u>
Liabilities	<u>90,000</u>

Net assets:	
Investment in capital assets, net of related debt	833,872
Unrestricted	<u>387,831</u>
Total net assets	<u>\$1,221,703</u>

Change in Net Assets

Operating revenues	\$ 197,917
Operating expenses	<u>227,857</u>
Operating loss	(29,940)
 Nonoperating revenues	
Interest income	<u>5,390</u>
 Decrease in net assets	 <u>\$ (24,550)</u>

Capital Assets

The District had invested \$989,664 in capital assets as of December 31, 2003. Capital assets are categorized as follows:

Capital Assets at December 31, 2003

Buildings and improvements	\$ 210,220
Fire trucks	522,227
Equipment	<u>257,217</u>
 Total capital assets	 <u>\$989,664</u>

Additional information on the District's capital assets can be found in Note 5, page 17.

Long-Term Debt

The District had an outstanding certificate of indebtedness bond in the amount of \$375,000 at an interest rate of 5.75%, secured by revenues of the District's Millage Tax. Balance owed on this indebtedness as of December 31, 2003 is \$90,000.

The District's total debt decreased during the current year by \$45,000 principal payments of the certificate of indebtedness.

Additional information on the District's long-term debt can be found in footnote 6 on page 17 of this report.

Additional Information

Mamou Fire Protection District No. 1 is currently funded through a 8.07 mill 10 year property tax scheduled to expire on December 31, 2004. Preparations are currently being made to offer a 10 year 8.07 mills tax continuation proposition on the November 2, 2004 election ballot.

Requests for Information

This financial report is designed to provide a general overview of the Mamou Fire Protection District No. 1 finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Rheinhard Bieber, President, Mamou Fire Protection District No. 1, 909 Cherry Street, Mamou, LA 70554.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Statement of Net Assets
December 31, 2003

ASSETS

Current assets:	
Cash	\$ 17,969
Certificates of deposit	200,000
Accounts receivable	<u>169,862</u>
Total current assets	<u>387,831</u>
Capital assets:	
Buildings and improvements	210,220
Fire trucks	522,227
Equipment	257,217
Less: Accumulated depreciation	<u>(65,792)</u>
Total capital assets, net of accumulated depreciation	<u>923,872</u>
Total assets	<u>1,311,703</u>

LIABILITIES

Certificate of indebtedness	<u>90,000</u>
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NET ASSETS

Invested in capital assets, net of related debt	833,872
Unrestricted	<u>387,831</u>
Total net assets	<u>\$ 1,221,703</u>

The accompanying notes are an integral part of this statement.

MAMOU FIRE PROTECTION DISTRICT NO. 1
 Evangeline Parish, Louisiana

Statement of Activities
 For the Year Ended December 31, 2003

Functions/Programs	Expenses	Program Revenues		Net Revenues (Expenses)
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General government	\$ 224,450	\$ -	\$ 3,062	(221,388)
Interest on long-term debt	<u>6,469</u>	<u>-</u>	<u>-</u>	<u>(6,469)</u>
Total governmental activities	<u>230,919</u>	<u>-</u>	<u>3,062</u>	<u>(227,857)</u>
General Revenues				
				149,972
Ad valorem taxes				47,252
State revenue sharing				5,390
Interest earnings				<u>693</u>
Miscellaneous				
Total general revenues				<u>203,307</u>
Change in net assets				(24,550)
Net assets, beginning				<u>412,381</u>
Net assets, ending				<u>\$ 387,831</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Balance Sheet
Governmental Funds
For The Year Ended December 31, 2003

ASSETS

Current assets:	
Cash	\$ 17,969
Certificates of deposit	200,000
Accounts receivable	<u>169,862</u>
Total assets	<u>\$ 387,831</u>

FUND BALANCE

Unrestricted	<u>387,831</u>
Total liabilities and fund balance	<u>\$ 387,831</u>

The accompanying notes are an integral part of this statement.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For The Year Ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating revenues:			
Taxes	165,000	\$ 149,972	\$ (15,028)
State	44,000	47,252	3,252
Forestry Grant	2,000	3,062	1,062
Miscellaneous	500	693	193
Total operating revenues	<u>211,500</u>	<u>200,979</u>	<u>(10,521)</u>
			-
Operating expenditures:			
Current Operating -			
Contract labor	-	5,100	(5,100)
Truck & building maintenance	28,000	15,383	12,617
Salaries and wages	16,080	14,658	1,422
Payroll taxes	3,500	2,092	1,408
Utilities/telephone	7,000	8,405	(1,405)
Insurance	18,000	18,852	(852)
Per diem paid board members	1,950	2,250	(300)
Legal and accounting	2,000	3,657	(1,657)
Volunteer Firemen reimbursement	21,000	17,127	3,873
Office expense	1,600	1,519	81
Fireman training	2,000	280	1,720
Communications equipment	6,000	6,234	(234)
Supplies	137,500	92,938	44,562
Legal ads	1,250	555	695
Miscellaneous	5,300	47,755	(42,455)
Principal payments	45,000	45,000	-
Interest payments	6,500	6,469	31
Total operating expenses	<u>302,680</u>	<u>288,274</u>	<u>14,406</u>
			-
Operating income (loss)	(91,180)	(87,295)	3,885
			-
Nonoperating revenues:			
Interest	10,000	5,390	(4,610)
			-
Change in fund balance	(81,180)	(81,905)	(725)
			-
Fund balance, beginning	<u>469,736</u>	<u>469,736</u>	-
			-
Fund balance, ending	<u>\$ 388,556</u>	<u>\$ 387,831</u>	<u>\$ (725)</u>

The accompanying notes are an integral part of this statement.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Statement of Net Assets
For The Year Ended December 31, 2003

	<u>2003</u>
Total Fund Balances - Total Governmental Funds	\$ 387,831
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet	923,872
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet	<u>(90,000)</u>
Total Net Assets - Governmental Activities	<u>\$1,221,703</u>

The accompanying notes are an integral part of this statement.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Reconciliation of the Statement of Revenues,
Expenditures and Change in Fund Balance
of the Governmental Funds to the Statement of Activities
For The Year Ended December 31, 2003

	<u>2003</u>
Net Changes in Fund Balances - Total Governmental Funds	\$ (81,905)
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.	12,355
Governmental funds report principal paid as an expenditure but, in the Statement of Activities, these payments represent a reduction in liabilities. This is the amount of principal paid in the current period.	<u>45,000</u>
Change in Net Assets - Governmental Activities	<u>\$ (24,550)</u>

The accompanying notes are an integral part of this statement.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Legal Organization

Mamou Fire Protection District No. 1 of Evangeline Parish was created by the Evangeline Parish Police Jury, as authorized by Louisiana Revised Statutes 40:1491-1493. The Fire District is governed by a five member board of commissioners appointed by the Evangeline Parish Police Jury. The fire district is authorized to construct, maintain, and improve the system of fire protection within the district.

The Mamou Fire Protection District No. 1 is a component unit of the Evangeline Parish Police Jury.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the government. Both the government-wide and fund financial statements categorize primary activities as governmental.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Taxes and items not properly included among program revenues are reported as *general revenues*.

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Fund Accounting

The Fire 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.

A fund is a separate accounting entity with a self-balancing set of accounts. 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.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The financial statements of the Mamou Fire Protection District No. 1 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All major revenues are susceptible to accrual.

Expenditures

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

Budget And Budgetary Accounting

The Fire District adopts a budget for the General Fund during December of the year preceding the year budgeted. All budgetary items are from the original budget adopted by the Fire District.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the Fire District.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. 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. Estimated amounts are immaterial in relation to total fixed assets.

Long-Term Obligations

Long-term obligations expected to be financed from the General Fund are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the General Fund when due.

Use of Estimates

The preparation of the financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are stated at cost, which approximates market.

Under state law these deposits must be secured at all times by federal deposit insurance or the pledge of securities. At December 31, 2003 the District had \$17,969 in cash secured by federal deposit insurance (Category 1) and \$200,000 in certificates of deposit secured by pledged securities (Category 3).

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the bank's trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 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 bank has failed to pay deposited funds upon demand.

NOTE 3 RETIREMENT SYSTEM

The employees of the district are covered by social security.

MAMOU FIRE PROTECTION DISTRICT NO. 1
 Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 4 AD VALOREM TAXES

Taxes are levied by the District in October and are actually billed by the Evangeline Parish Sheriff's Department in November. Billed taxes become delinquent on December 31. The Sheriff's Department sends out past due notices in early February. In May, the Sheriff advertises a sale on all property for which taxes have not been paid and the Sheriff's sale is held during June.

For the year ended December 31, 2003, taxes of 8.07 mills were levied on property and were dedicated to Fire Protection.

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>Balance 1/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/03</u>
Buildings and improvements	\$ 170,573	\$ 39,647	\$ -	\$ 210,220
Fire trucks	466,988	55,239	-	522,227
Equipment	<u>230,009</u>	<u>27,208</u>	-	<u>257,217</u>
Total	<u>\$ 867,570</u>	<u>\$ 122,094</u>	<u>\$ -</u>	<u>\$ 989,664</u>

NOTE 6 LONG-TERM DEBT

The Fire District issued \$375,000 in Certificates of Indebtedness, at an interest rate of 5.75%, secured by revenues of the District's Millage Tax. The proceeds were used to purchase 3 fire trucks. Principal payments are due annually on March 1 of each year and interest payments are due semi-annually on March 1 and September 1 of each year. Principal payments to maturity are as follows:

2004	\$ 45,000
2005	<u>45,000</u>
Total	<u>\$ 90,000</u>

The following is a summary of changes in general long-term debt for the year ended December 31, 2003:

	<u>Balance 1/1/03</u>	<u>Principal Payments</u>	<u>Balance 12/31/03</u>
Certificates of Indebtedness	<u>\$ 135,000</u>	<u>\$ 45,000</u>	<u>\$ 90,000</u>

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 7 PER DIEM PAID BOARD MEMBERS

The following is a summary of per diem paid to Board members for the year ended December 31, 2003:

Spencer Long	\$ 420
Rheinhard Bieber	630
Tique Manuel	360
Earl LaFleur	420
Greg Monier	420
Total	<u>\$ 2,250</u>

NOTE 8 CHANGES IN ACCOUNTING PRINCIPLES

The Mamou Fire Protection District No. 1 adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments; Statement No. 37, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Government Fund Financial Statements, as of January 1, 2003. This results in a change in the format and content of the basic financial statements.

SUPPLEMENTAL INFORMATION



(A Corporation of Certified Public Accountants)

**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

Board of Commissioners
Mamou Fire Protection District No. 1
Mamou, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Mamou Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Mamou Fire Protection District No. 1's compliance with certain laws and regulations during the year ended December 31, 2003 included in the *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 which 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 material 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).

There was one purchase exceeding \$15,000 and no public works exceeding \$100,000. The purchase was made in accordance with the public bid law.

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 required list.

Eugene H. Darnall, CPA, Retired 1990
Paula D. Bihm, CPA, Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
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Society of Louisiana
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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.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list of immediate family members provided by management in agreed-upon procedure (2).

Budgeting

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

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

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 which indicated that the budget had been adopted. No amendments were made to the budget during the year.

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 revenues did fail to meet budgeted revenues by 5% or more and actual expenditures did exceed budgeted expenditures by 5% or more.

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

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approval.

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).

A notice of each meeting and the accompanying agenda is posted on the door of the meeting place. Management has asserted that such documents were properly posted, and affidavits asserting this were noted. Minutes of Meeting are printed in the local newspaper.

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 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 any such payments. We also inspected payroll records for the year and note no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Mamou Fire Protection District No. 1 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.

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants

Eunice, Louisiana
May 27, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

12-31-03 (Date Transmitted)

Darnall, Sikes & Frederick

P.O. Drawer 1048

Kenner, LA 70535

(Auditors)

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.

These representations are based on the information available to us as of (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 []

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>Stephen A. Boudin</u>	Secretary	<u>1-5-04</u>	Date
<u>Stephen A. Boudin</u>	Treasurer	<u>1-5-04</u>	Date
<u>R. Reinhard Biecher</u>	President	<u>1-5-04</u>	Date