

**LIVINGSTON PARISH FIRE PROTECTION DISTRICT NO. 1
ALBANY, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AND

REPORT ON APPLYING AGREED – UPON PROCEDURES

INCLUDING THE

LOUISIANA ATTESTATION QUESTIONNAIRE

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 9.1.04

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

December 31, 2003

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Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
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John N. Durnin, CPA
Dennis E. James, CPA

Member
American Institute of CPA's
Society of Louisiana CPA's

May 5, 2004

Accountants' Compilation Report

Board of Commissioners
Livingston Parish Fire Protection District No. 1
Post Office Box 1391
Albany, Louisiana 70711

We have compiled the accompanying financial statements of the governmental activities and the general fund of the Livingston Parish Fire Protection District No. 1, Albany, Louisiana (a component unit of the Livingston Parish Council) as of December 31, 2003, and for the year then ended which collectively comprise the Livingston Parish Fire Protection District No. 1's basic financial statements as listed in the table of contents 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 information that is the representation of the management of the Livingston Parish Fire Protection District No. 1. We have not audited or reviewed the accompanying basic 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 5, 2004, on the results of our agreed-upon procedures.

Respectfully submitted,

Durnin & James, CPAs

Durnin & James, CPAs
(A Professional Corporation)

Management's Discussion and Analysis

Livingston Parish Fire District No. 1
Albany, Louisiana
Management's Discussion and Analysis
December 31, 2003

As management of the Livingston Parish Fire Protection District No. 1 ("District"), we offer readers of the Livingston Parish Fire Protection District No. 1's financial statements this narrative overview and analysis of the financial activities of the Livingston Parish Fire Protection District No. 1, for the fiscal year ended December 31, 2003. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the District's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of District finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the District based on information presented in the financial report and fiscal policies that have been adopted by the District. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's basic financial statements consist of the following components:

1. Government-wide financial statements,
2. Fund financial statements,
3. Notes to the financial statements, and
4. Other supplementary information, which is in addition to the basic financial statements themselves.

1. Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement 34 to change the way in which governmental financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Assets and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to a private-sector business.

- A. The *statement of net assets* presents information on all of the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or weakening.

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 Management's Discussion and Analysis (Continued)
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B. The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District assets exceeded its liabilities at the close of the most recent fiscal year by \$456,164 (*net assets*). Of this amount, \$222,538 is unrestricted net assets.

By far the largest portion of the District's net assets (51.21 percent) reflects its investment in capital assets (e.g., land, land improvements, buildings, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets (0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$222,538) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the District is able to report positive net asset balances in both the government-wide and governmental activities. The same situation held true for the prior fiscal year.

Governmental Activities

The Governmental Activities of the District include Public Safety. Property taxes fund most of these governmental activities.

Here we show the District's expenditures related to those functions typically associated with governments.

	<u>Amount</u>	<u>Percentage</u>
Public Safety	\$ 95,602	100%
Total Governmental Activities	<u>\$ 95,602</u>	<u>100%</u>

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 Albany, Louisiana
 Management's Discussion and Analysis (Continued)
 December 31, 2003

General revenues are those available for the District to use to pay for the governmental activities described above. The following chart shows the District's general revenues

	<u>Amount</u>	<u>Percentage</u>
Ad valorem taxes	\$ 70,027	33.11%
State revenue sharing	17,946	8.49%
Fire insurance rebate	21,411	10.12%
Grant revenue	97,193	45.96%
Interest income	796	0.38%
Donations	4,005	1.89%
Other income	90	0.04%
Total General Revenues and Transfer	\$ 211,468	100.00%

Property taxes are usually the largest revenue source for the District, however, for the year ended December 31, 2003, the District's largest revenue source was grant revenue of \$97,193. For the year ended December 31, 2003, taxes of 12.50 mills were levied on property inside of the District limits. The year 2000 was a reassessment year. The District's taxable assessed valuations increased \$418,110 from \$5,727,050 to \$6,145,160. An original 12.5-mill tax was passed to be used for the purpose of fire protection and emergency response service in and for the Livingston Parish Fire Protection District No. 1.

	2002		2003	
	<u>Taxes Levied</u>	<u>Mills</u>	<u>Taxes Levied</u>	<u>Mills</u>
General Fund	\$ 71,558	12.50	\$ 76,815	12.50
Total Property Taxes Levied	\$ 71,558	12.50	\$ 76,815	12.50

2. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District consist of one category: governmental funds.

Governmental funds are used to account for most of the District's basic services as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for

Livingston Parish Fire District No. 1
Albany, Louisiana
Management's Discussion and Analysis (Continued)
December 31, 2003

spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on pages 15-16.

The District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. The basic governmental fund financial statements can be found on pages 10 and 11 of this report.

Financial Analysis of the Governmental Funds

As of the end of the current fiscal year, the District's General Fund reported an ending fund balance of \$212,405.

3. Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-21 of this report.

Livingston Parish Fire District No. 1
Albany, Louisiana
Management's Discussion and Analysis (Continued)
December 31, 2003

4. Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found beginning on page 23 of this report.

- A. Budgetary Comparison Schedule – The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget, beginning on page 23.
- B. Analysis of Significant Budget Variances in the General Fund:
 - 1. Revenues:
 - a. Property tax revenue increased during the year primarily related to an increase in property values in the district due an increase in the number and value of taxable reassessments.
 - b. Donations increased because of a special donation received for fire equipment.
 - 2. Expenditures:
 - a. Capital outlay increased because construction of a new fire station was begun and the District purchased additional fire protection equipment with the grant proceeds.

Capital Asset and Debt Administration

A. Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2003 amounts to \$233,626 (net of accumulated depreciation). This investment in capital assets includes land, improvements, and equipment. The total increase in the District's investment in capital assets for the current fiscal year was 155 percent.

Major capital asset additions during the current fiscal year included the following:

- a. Construction on new fire station building totaled \$27,979 and purchase of equipment totaling \$116,437.

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Albany, Louisiana
Management's Discussion and Analysis (Continued)
December 31, 2003

Additional information on the District's capital assets can be found in Note 5 on page 20 of this report.

B. Long-Term Debt

At the end of the current fiscal year, the District had no outstanding debt.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the District's budget for the 2004 fiscal year:

During the current fiscal year, unreserved fund balance in the General Fund decreased to \$212,405. For the fiscal year ending December 31, 2004, there is no budgeted revenue increase over December 31, 2003 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the District's 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 Kathryn Crayton, Administrative Assistant, and Livingston Fire Protection District No. 1, P.O. Box 1391, Albany Louisiana, 70711.

Basic Financial Statements

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

Exhibit A

Governmental Fund Balance Sheet / Statement of Net Assets

December 31, 2003

	General Fund	Adjustments (Note 1)	Statement of Net Assets
Assets			
Cash and cash equivalents	\$ 118,332	\$ -	\$ 118,332
Ad Valorem taxes receivable	76,815	-	76,815
State revenue sharing receivable	20,468	-	20,468
Prepaid insurance	-	10,133	10,133
Capital assets, net of accumulated depreciator	-	233,626	233,626
Total Assets	\$ 215,615	\$ 243,759	\$ 459,374
Liabilities			
Accounts payable	\$ 3,210	\$ -	\$ 3,210
Total Liabilities	\$ 3,210	\$ -	\$ 3,210
Net Assets			
Invested in capital assets	\$ -	\$ 233,626	\$ 233,626
Unreserved, undesignated	212,405	10,133	222,538
Total Net Assets	\$ 212,405	\$ 243,759	\$ 456,164

See accompanying notes and accountant's report.

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

Exhibit B

Statement of Governmental Fund Revenues, Expenditures, and Changes in
Fund Balances / Statement of Activities

For the Year Ended December 31, 2003

	General Fund	Adjustments (Note 1)	Statement of Activities
Expenditures / Expenses			
Administrative	\$ (2,697)	\$ -	\$ (2,697)
Insurance	(24,007)	1,484	(22,523)
Payroll taxes	(690)	-	(690)
Professional services	(2,935)	-	(2,935)
Supplies	(9,750)	-	(9,750)
Repairs	(11,242)	-	(11,242)
Salary	(9,020)	-	(9,020)
Telephone & Utilities	(4,035)	-	(4,035)
Sheriff's pension fund	(3,210)	-	(3,210)
Other Expenditures	(10,212)	-	(10,212)
Depreciation	-	(19,288)	(19,288)
Capital Outlay	(153,486)	153,486	-
Total Expenditures / Expenses	\$ (231,284)	\$ 135,682	\$ (95,602)
General Revenues			
Ad valorem taxes	\$ 70,027	\$ -	\$ 70,027
State revenue sharing	17,946	-	17,946
Fire insurance rebate	21,411	-	21,411
Grant revenue	97,193	-	97,193
Interest income	796	-	796
Donations	4,005	-	4,005
Other income	90	-	90
Total General Revenues	\$ 211,468	\$ -	\$ 211,468
Excess (Deficiency) of Revenues Over Expenditures	\$ (19,816)	\$ 135,682	\$ 115,866
Fund Balance / Net Assets:			
Beginning of the Year	\$ 232,221	\$ 108,077	\$ 340,298
End of Year	\$ 212,405	\$ 243,759	\$ 456,164

See accompanying notes and accountant's report.

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

Notes to Financial Statements

December 31, 2003

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Notes to Financial Statements (Continued)

December 31, 2003

Introduction

Livingston Parish Fire Protection District No. 1 was created by an ordinance of the Livingston Parish Council for the purpose of acquiring, maintaining, and operating buildings, machinery, water tanks, water hydrants, water lines, and any other things necessary to provide proper fire prevention and control of the property within the District. The District operates under the direction of a five-member board appointed by the Livingston Parish Council. The District also employs two part-time workers for bookkeeping and management services. On January 25, 1997, the Albany Volunteer Fire Department merged into Livingston Parish Fire Protection District No. 1. This merger was approved by the Livingston Parish Council and the Village of Albany.

1. Summary Of Significant Accounting Policies

A. Basis Of Presentation

The accompanying basic financial statements of the Livingston Parish Fire Protection District No. 1 have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, Basic Financial Statements-and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999.

B. Financial Reporting Entity

All board members of the District are appointed by the Livingston Parish Council. As the governing authority of the Parish, for reporting purposes, the Livingston Parish Council is the financial reporting entity for Livingston Parish. The financial reporting entity consists of (a) primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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.

Because the board members of the District are appointed by the Livingston Parish Council, the District was determined to be a component unit of the Livingston Parish Council

The accompanying basic financial statements present information only on the funds maintained by the District and do not present information on the Livingston Parish

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

Notes to Financial Statements (Continued)

December 31, 2003

Council, the general governmental services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities.

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts

Governmental Funds

Governmental funds account for all of 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.

Governmental funds of the District include:

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. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according District policy.

D. Basis Of Accounting

Fund Financial Statements (FFS)

The amounts reflected in the Governmental Funds of Exhibits A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District wide operations.

The amounts reflected in the Governmental Funds of Exhibits A and B, use the modified accrual basis of accounting. 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

Livingston Parish Fire Protection District No. 1
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Notes to Financial Statements (Continued)

December 31, 2003

available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Ad valorem tax revenue, state revenue sharing revenue, and interest revenue are recorded when due. 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

E. Government-Wide Financial Statements (GWFS)

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

Program Revenues – Program revenues included in the column labeled Statement of Activities (Exhibit B) are derived directly from District's users as a fee for services; program revenues reduce the cost of the function to be financed from the District's general revenues.

Reconciliation:

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Exhibit B) and the Statement of Net Assets (Exhibit A) are as follows:

Livingston Parish Fire Protection District No. 1
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Notes to Financial Statements (Continued)

December 31, 2003

Exhibit B

Capitalization of Capital Assets	\$ 153,486
Record Depreciation Expense on Capital Assets	(19,288)
Record Net Change in Prepaid Insurance	<u>1,484</u>
Net Effect of Changes	\$ 135,682
Adjustment to Beginning Fund Balance For Prior Year:	
Recording of Prepaid Insurance	8,649
Recording of Net Capital Assets	<u>99,428</u>
Net Effect of Changes	<u>\$ 235,110</u>

Exhibit A

Recording Net Capital Assets	\$ 233,626
Prepaid Insurance	<u>10,133</u>
Net Effect of Changes	<u>\$ 243,759</u>

F. Budgets and Budgetary Accounting

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-14. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The Chairman must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$250,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction. The proposed expenditures were less than \$250,000; therefore, a public hearing was not required.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on January 13, 2003.

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Notes to Financial Statements (Continued)

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4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.
5. The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

The District did not comply with state law because the budget was adopted after the beginning of the fiscal year.

G. Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under State law, the District may deposit funds in 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. Investments are stated at cost.

H. Inventory

The District utilizes the "purchase method" of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The District did not record any inventory at June 30, 2003, as the amount is not material.

I. Prepaid Items

The District recognizes expenditures for insurance and similar services extending over more than one accounting period when paid.

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Notes to Financial Statements (Continued)

December 31, 2003

J. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$300 or more for capitalizing capital assets.

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

Description	Estimated Lives
Land	N/A
Buildings	40
Equipment	15

2. **Levied Taxes**

The following is a summary of authorized and levied ad valorem taxes:

3. **Cash And Cash Equivalents**

At December 31, 2003, the District had cash and cash equivalents (book balances) totaling \$118,332, as follows:

Demand Deposits	\$ 55,108
Time Deposits	<u>63,224</u>
Total	<u>\$ 118,332</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the

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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. At December 31, 2003, the District had \$118,332 in deposits (collected bank balances). These deposits are secured from risk by \$118,332 of federal deposit insurance.

4. Intergovernmental Receivables

The intergovernmental receivables of \$97,283 at December 31, 2003 are as follows:

Ad Valorem Taxes	\$	76,815
State Revenue Sharing Receivable		<u>20,468</u>
Total	\$	<u>97,283</u>

Livingston Parish Fire Protection District No. 1
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Notes to Financial Statements (Continued)

December 31, 2003

5. Changes In General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>12/31/2002</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2003</u>
Capital Assets Not Depreciated:				
Land	\$ 17,000	\$ -	\$ -	\$ 17,000
Construction-in-Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	\$ 17,000	\$ -	\$ -	\$ 17,000
Other Capital Assets:				
Buildings	\$ 8,265	\$ 31,549	\$ -	\$ 39,814
Equipment	126,683	116,437	-	243,120
Vehicles	120,989	5,500	-	126,489
Other Assets	<u>1,650</u>	<u>-</u>	<u>-</u>	<u>1,650</u>
Total Other Capital Assets	\$ 257,587	\$ 153,486	\$ -	\$ 411,073
Less Accumulated Depreciation:				
Buildings	\$ 6,411	\$ 661	\$ -	\$ 7,072
Vehicles	83,453	5,430	-	88,883
Other	1,650	-	-	1,650
Equipment	<u>83,645</u>	<u>13,197</u>	<u>-</u>	<u>96,842</u>
Total Accumulated Depreciation	<u>\$ 175,159</u>	<u>\$ 19,288</u>	<u>\$ -</u>	<u>\$ 194,447</u>
Other Capital Assets, Net	<u>\$ 82,428</u>	<u>\$ 134,198</u>	<u>\$ -</u>	<u>\$ 216,626</u>
Totals	<u>\$ 99,428</u>	<u>\$ 134,198</u>	<u>\$ -</u>	<u>\$ 233,626</u>

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Notes to Financial Statements (Continued)

December 31, 2003

6. Compensated Absences

At December 31, 2003, the District does not have any employees that accumulate or vest benefits.

7. Leases

At December 31, 2003, the District does not have any capital or operating leases.

8. Litigation And Claims

At December 31, 2003, the District does not have any litigation or claims against it.

9. Compensation Of Commissioners

Louisiana Revised Statute 33:4564(B) provides that commissioners may receive a per diem of \$10 for each meeting of the commission. The five District commissioners have elected to receive \$1 each year as compensation for their services.

Required Supplemental Information

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

Schedule 1

Budgetary Comparison Schedule – General Fund

December 31, 2003

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues				
Ad valorem taxes	\$ 55,000	\$ 55,000	\$ 70,027	\$ 15,027
State revenue sharing	21,500	21,500	17,946	(3,554)
Fire insurance rebate	9,500	9,500	21,411	11,911
Grant Revenue	-	98,193	97,193	(1,000)
Interest income	2,000	2,000	796	(1,204)
Donations	-	-	4,005	4,005
Other income	1,500	1,500	90	(1,410)
Total Revenues	<u>\$ 89,500</u>	<u>\$ 187,693</u>	<u>\$ 211,468</u>	<u>\$ 23,775</u>
Expenditures				
Administrative	\$ 4,000	\$ -	\$ 2,697	\$ (2,697)
Advertising	-	24	-	24
Dues and Subscriptions	-	500	-	500
Employee Medical	-	959	-	959
Fire Prevention Material	-	1,275	-	1,275
Gas & Oil	4,500	4,500	4,145	355
Insurance	10,500	14,000	24,007	(10,007)
Meal Reimbursement	-	3,000	-	3,000
Office Supplies	-	2,500	-	2,500
Other Expenses	-	-	878	(878)
Payroll taxes	500	500	690	(190)
Per-Diem	-	5	5	-
Professional services	2,000	3,000	2,935	65
Safety	11,000	-	-	-
Repairs	5,000	10,000	11,242	(1,242)
Salary	7,000	7,000	9,020	(2,020)
Supplies	-	10,000	9,750	250
Telephone & Utilities	4,000	4,000	4,035	(35)
Training	-	1,500	-	1,500
Travel	-	-	3,315	(3,315)
Sheriff's pension fund	2,000	2,000	3,210	(1,210)
Uniforms	1,000	2,000	1,869	131
Capital Outlay	10,000	194,011	153,486	40,525
Total Expenditures	<u>\$ 61,500</u>	<u>\$ 260,775</u>	<u>\$ 231,284</u>	<u>\$ 29,491</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>\$ 28,000</u>	<u>\$ (73,082)</u>	<u>\$ (19,816)</u>	<u>\$ 53,266</u>
Fund Balance - Beginning of the Year				
	\$ 232,221	\$ 232,221	\$ 232,221	\$ -
Fund Balance - End of the Year				
	<u>\$ 260,221</u>	<u>\$ 159,139</u>	<u>\$ 212,405</u>	<u>\$ 53,266</u>

See accompanying notes and accountant's report

Other Reports

See accompanying notes and accountant's report

**Independent Accountants' Report on Applying
Agreed – Upon Procedures**

See accompanying notes and accountant's report

Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
HAMMOND, LA • AMITE, LA

John N. Durnin, CPA
Dennis E. James, CPA

Member
American Institute of CPA's
Society of Louisiana CPA's

May 5, 2004

Independent Accountants' Report On Applying Agreed-Upon Procedures

Board of Commissioners
Livingston Parish Fire Protection District No. 1
Post Office Box 1391
Albany, Louisiana 70711

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

Public Bid Law

During our testing of purchases of materials and supplies, we noted that the District did not comply with certain provisions of the public bid law, LSA-RS 38:2211-2251. The pertinent parts of the law and the manner in which the District failed to comply are as follows:

Finding #2003-01:

State law, LSA-RS 38:2212.1(A) requires the District to obtain at least three telephone or facsimile quotes to purchase materials and supplies exceeding \$10,000.00 but less than \$20,000.00. On September 9, 2003, the District purchase bunker gear and related clothing totaling \$14,033.70. There is no evidence in the files that the District obtained three telephone or facsimile quotes as required by state law.

Finding #2003-02:

State law, LSA-RS 38:2212.1(B) requires the District to publicly advertise for bids for purchases of materials and supplies exceeding \$20,000.00. On March 10, 2003, bids were opened for the purchase of twenty-six self-contained breathing apparatus. The bids were advertised in the official journal on February 20, 2003 and again on February 27, 2003. Two bids were received with the low bidder bidding \$68,640.00 and the high bidder bidding \$72,098.00. At a special meeting held on March 12, 2003, the District board voted to accept the proposal from the high bidder. Some of the reasons noted by the board for selecting the high bidder included the brand of equipment, possible lower maintenance costs, local servicing of equipment, product fit and design, interchangeability of parts with local mutual aid fire departments, design considerations regarding safety during internal fire suppression and small crawl spaces, and a preference of other fire departments and the local volunteer firemen for the brand of product specified by the high bidder. Although LSA-RS 38:2212.1(B)(e) allows governmental entities to specify a particular brand of equipment in the specifications if it is in the public interest to do so, the specifications for the bidding of these twenty-six self contained breathing apparatus contained no specific reference to a particular brand of product.

Recommendation:

We recommend the District personnel review the various provisions of the public bid law and for future purchases comply with those requirements.

Corrective Action Planned (Response By Management):

In management's corrective action plan dated May 11, 2004, the District fire chief and secretary indicated that they will review with the board the various provisions of the public bid law and for future purchases comply with those requirements.

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.

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 provided by management in agreed-upon procedure (2).

Budgeting

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

Management provided us with a copy of the original budget, and the budget amendment adopted during the year.

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

Budgeting

During our review of the budget adoption procedures, we noted that the District did not comply with certain provisions of the Local Government Budget Act, LSA-RS 39:1301-14. The pertinent parts of the law and the manner in which the District failed to comply are as follows:

Finding #2003-03:

State law, LSA-RS 39:1308(A) requires that *“all action necessary to adopt and otherwise finalize and implement the budget for an ensuing fiscal year shall be taken in open meeting and completed prior to the end of the fiscal year in progress.”* The budget for the fiscal year ended December 31, 2003, was adopted in an open meeting on January 13, 2003, after the beginning of the new fiscal year in violation of state law.

Recommendation:

We recommend that the District personnel review the requirements of the Local Government Budget Act and in the future adopt the budget in accordance with the guidelines contained in state law.

Corrective Action Planned (Response By Management):

In management’s corrective action plan dated May 11, 2004, the District fire chief and secretary indicated that they would review with the board the various provisions of the Local Governmental Budget Act and in the future adopt the budget in accordance with the guidelines contained in state law.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if there were unfavorable variances. Total revenue may not be more than 5% less than budget and expenditures may not exceed the budget by more than 5%.

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

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

Accounting and Reporting

8. Randomly select six 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 six 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 approvals from the Board of Commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District properly complied with the requirements of the open meeting law.

Debt

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

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

Advances and Bonuses

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

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

A reading of the minutes of the District for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior year report, dated January 30, 2003, included no comments or unresolved matters.

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 Livingston Parish 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Durnin & James, CPAs

Durnin & James, CPAs
(A Professional Corporation)

Louisiana Attestation Questionnaire

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
_____ (Date Transmitted)

Dumin & James, CPA's P.C.
401 East Thomas Street
Hemmond, LA 70404
(Auditors)

In connection with your compilation of our financial statements as of December 31, 2003 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 [X] 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 [X] 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 [X] 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 [X] 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 [X] No []

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

Yes [X] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:111.
Yes [X] No []

Meetings

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

Chief	<u>[Signature]</u>	<u>3/8/04</u>	Date
President	<u>Paul J. Jackson</u>	<u>3/8/04</u>	Date
Secretary/Treasurer	<u>[Signature]</u>	<u>3/8/04</u>	Date

RESOLUTION

WHEREAS, the Livingston Parish Fire Protection District No. 1, as a part of its compilation of financial statements as of December 31, 2003, and for the one year period then ended, is required to complete the Louisiana Attestation Questionnaire furnished by the Louisiana Legislative Auditor, and,

WHEREAS, upon completion, the questionnaire must be presented to and adopted by the Board of Commissioners by means of a formal resolution in an open meeting, and,

WHEREAS, the completed questionnaire and a copy of its adoption must then be given to the accountant at the beginning of the attestation engagement. The accountant will, during the course of his attestation engagement, test the accuracy of the responses in the questionnaire,

WHEREAS, this Louisiana Attestation Questionnaire was reviewed and all questions answered by the Board of Commissioners of the Livingston Parish Fire Protection District No. 1.

THEREFORE BE IT RESOLVED that the Livingston Parish Fire Protection District No. 1 hereby adopts this resolution on March 8, 2004 by the following roll call vote:

YEAS: 3

NAYS: 0

ABSENT: 2


Kathryn R. Crayton / Administrative Assistant


Paul Farkas, President