

**Fire Protection District No. 1 Of Grant Parish
Colfax, Louisiana**

**Report On Component Unit Financial Statements
As of and For the 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 9.1.04

ACCOUNTANTS' COMPILATION REPORT	1
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	2
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES	3
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (CASH BASIS) AND ACTUAL (CASH BASIS).....	4
NOTES TO FINANCIAL STATEMENTS.....	5 - 7
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS	8
ATTESTATION REPORT.....	9 - 11
SUMMARY OF PRIOR YEAR FINDINGS	12
LOUISIANA ATTESTATION QUESTIONNAIRE.....	Appendix

ROZIER, HARRINGTON & MCKAY

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June 21, 2004

Board of Directors
Fire Protection District No. 1
of Grant Parish
Colfax, Louisiana

We have compiled the accompanying balance sheet of the Fire Protection District No. 1 of Grant Parish as of December 31, 2003 and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the accompanying supplementary information contained the in Schedule of Per Diem paid to board members, 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. However, we did become aware of departures from generally accepted accounting principles that is described in the following paragraphs.

Required disclosures related to the Fire Protection District's general obligation bonds have been omitted from the accompanying financial statements. Omitted information includes interest rates, payment terms and a schedule of principal and interest payments due in future years.

Disclosures related to deposits with financial institutions are required to include information regarding access to collateral available to secure deposits; however, the accompanying disclosures are incomplete.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a reported dated June 21, 2004, on the results of our agreed-upon procedures.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

Fire Protection District No. 1 of Grant Parish
Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2003

	<u>Governmental Fund Type</u>						Total (Memorandum Only)
	<u>Capital</u>		<u>Debt</u>		<u>Account Group</u>		
	General Fund	Project Funds	Service Funds	General Fixed Assets	General Long- Term Debt	-	
<u>Assets:</u>							
Cash	\$ 24,458	\$ 368,797	\$ -	\$ -	\$ -	\$ -	\$ 393,255
Accounts receivable	131,079	-	38,942	-	-	-	170,021
Property, plant, and equipment	-	-	-	661,901	-	-	661,901
Amount to be provided for retirement of general long-term debt	-	-	-	-	593,112	-	593,112
Total Assets	\$ 155,537	\$ 368,797	\$ 38,942	\$ 661,901	\$ 593,112	\$ -	\$ 1,818,289
<u>Liabilities and Fund Balances:</u>							
<u>Liabilities:</u>							
Payables and accrued expenses	\$ 3,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,906
General Obligation Bonds	-	-	-	-	500,000	-	500,000
Certificates of Indebtedness	-	-	-	-	93,112	-	93,112
Total liabilities	3,906	-	-	-	593,112	-	597,018
<u>Fund Balance:</u>							
Investment in general fixed assets	-	-	-	661,901	-	-	661,901
Unreserved fund balance	151,631	368,797	38,942	-	-	-	559,370
Total fund balances	151,631	368,797	38,942	661,901	-	-	1,221,271
Total Liabilities and Fund Balance	\$ 155,537	\$ 368,797	\$ 38,942	\$ 661,901	\$ 593,112	\$ -	\$ 1,818,289

See Accountants' Compilation Report.

The Accompanying Notes are an Integral Part of the Financial Statements.

Fire Protection District No. 1 of Grant Parish
Combined Statement of Revenues, Expenditures, and
Changes in Fund Balance
All Governmental Fund Types
For the Year Ended December 31, 2003

	Governmental Fund Type			Total (Memorandum Only)
	General Fund	Capital Project Funds	Debt Service Funds	
Revenues:				
Ad valorem taxes and related revenue sharing	\$ 140,491	\$ -	\$ 38,942	\$ 179,433
Fire insurance rebates	11,107	-	-	11,107
Other	111	-	-	111
Total revenues	<u>151,709</u>	<u>-</u>	<u>38,942</u>	<u>190,651</u>
Expenditures:				
Public Safety:				
Debt service	20,278	-	-	20,278
Insurance	12,793	-	-	12,793
Miscellaneous	10,642	-	-	10,642
Payroll expense and related taxes	12,241	-	-	12,241
Rent	1,950	-	-	1,950
Repairs and maintenance	15,455	-	-	15,455
Supplies	11,088	-	-	11,088
Utilities	10,503	-	-	10,503
Vehicle expenses	13,299	-	-	13,299
Capital Expenditures	<u>19,500</u>	<u>131,203</u>	<u>-</u>	<u>150,703</u>
Total expenditures	<u>127,749</u>	<u>131,203</u>	<u>-</u>	<u>258,952</u>
Excess (deficiency) of revenues over expenditures	23,960	(131,203)	38,942	(68,301)
OTHER FINANCING SOURCES (USES):				
Proceeds from long-term debt	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	23,960	368,797	38,942	431,699
Fund balance - beginning of year	<u>127,671</u>	<u>-</u>	<u>-</u>	<u>127,671</u>
Fund balance - end of year	<u>\$ 151,631</u>	<u>\$ 368,797</u>	<u>\$ 38,942</u>	<u>\$ 559,370</u>

See Accountants' Compilation Report.

The Accompanying Notes are an Integral Part of the Financial Statements.

Fire Protection District No. 1 of Grant Parish
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2003

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Ad valorem taxes and related revenue sharing	\$ 117,618	\$ 140,491	\$ 22,873
Fire insurance rebates	9,300	11,107	1,807
Other	3,579	111	(3,468)
Total revenues	130,497	151,709	21,212
Expenditures:			
Public Safety:			
Debt service	35,000	20,278	14,722
Insurance	11,898	12,793	(895)
Miscellaneous	6,505	10,642	(4,137)
Payroll expense	20,000	12,241	7,759
Rent	-	1,950	(1,950)
Repairs and maintenance	20,859	15,455	5,404
Supplies	3,768	11,088	(7,320)
Utilities	7,338	10,503	(3,165)
Vehicle expenses	9,016	13,299	(4,283)
Capital Outlay	65,000	19,500	45,500
Total expenditures	179,384	127,749	51,635
Excess (deficiency) of revenues over expenditures	(48,887)	23,960	72,847
OTHER FINANCING SOURCES (USES):			
Proceeds from long-term debt	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(48,887)	23,960	72,847
Fund balance - beginning of year	127,671	127,671	-
Fund balance - end of year	\$ 78,784	\$ 151,631	\$ 72,847

See Accountants' Compilation Report.

The Accompanying Notes are an Integral Part of the Financial Statements.

Fire Protection District No. 1 of Grant Parish

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Fire Protection District No. 1 of Grant Parish (the Fire District) was created to provide fire protection for portions of Grant Parish. It is governed by a Board consisting of five members and the majority of the members are appointed by the Grant Parish Police Jury. The Fire District is a component unit of the Grant Parish Police Jury, the primary governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Fire District and do not present financial information on the primary government, the general government services provided by that entity, or the other governmental units that are accountable to the primary government.

The Fire District prepares its financial statements in accordance with standards established by the Governmental Accounting Standards Board (GASB). Based on criteria established by GASB, the Fire District is a component unit of the State of Louisiana.

Fund Accounting

The accounts of the Fire District are organized on the basis of a fund (General Fund) and account groups, each of which are considered a separate accounting entity. The operations of the General Fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The General Fund is the general operating fund of the Fire District and accounts for all financial resources.

Cash And Cash Equivalents:

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

General Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental fund (General Fund). No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost including interest.

Basis Of Accounting

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 general fund utilizes the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Revenue is typically considered available if it is received within 60 days of year end. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt, which is recognized in the period payment becomes due.

Fire Protection District No. 1 of Grant Parish

Notes to Financial Statements

Budgetary Practices

Budgets of the General Fund are prepared on the modified accrual basis of accounting. Unexpended appropriations of this fund lapse at the end of each fiscal year. Budgets of the General Fund and all changes and amendments to these budgets are approved by the Board of Commissioners as a whole.

Total Column On Combined Balance Sheet

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

2. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets, for the year ended December 31, 2003, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Land	\$ ---	\$ 12,000	\$ ---	\$ 12,000
Buildings	16,887	---	---	16,887
Furniture, Fixtures & Equipment	494,311	7,500	---	501,811
Construction in Process	---	131,203	---	131,203
Total	\$ 511,198	\$ 150,703	\$ ---	\$ 661,901

3. CASH AND CASH EQUIVALENTS

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.

At December 31, 2003, the Fire District the Fire District's bank deposits were covered by Federal Deposit Insurance in the amount of \$100,000. The amount of pledged securities covering these deposits was not available.

4. AD VALOREM TAXES:

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Ad valorem taxes are determined using the assessed values determined by the Tax Assessor of Grant Parish. Revenues from ad valorem taxes are recognized as revenue in the year billed. Taxes assessed by the Fire District are presented as follows:

Fire Protection District No. 1 of Grant Parish

Notes to Financial Statements

	Millage
Tax for the purpose of purchasing and maintaining equipment, and the general operations of the Fire District approved for a period of 10 years beginning with 1997.	16.83
Tax for the purpose of paying principal and interest incurred in connection with the District's General Obligation Bonds	<u>5.00</u>
Total Millage	<u>21.83</u>

5. RISK MANAGEMENT

The Fire District is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Fire District insures against these risks by purchasing commercial insurance. Settled claims resulting from these risk have not exceeded insurance coverage in any of the past three fiscal years.

6. CERTIFICATES OF INDEBTEDNESS

Debt outstanding at December 31, 2003 is presented as follows:

The Fire District has issued a \$150,000 indebtedness payable to a bank, bearing interest at a rate of 6.0%. Principle and interest are payable in five annual installments of \$35,130, with the final installment due March 2006.	\$ 93,112
The Fire District has issued General Obligation Bonds, Series 2003 (\$500,000) for the purpose of constructing a new fire station and related facilities.	<u>500,000</u>
Total	<u>\$ 593,112</u>

Fire Protection District No. 1 of Grant Parish
Schedule of Per Diem Paid to Board Members
For the Year Ended December 31, 2003

For the year ended December 31, 2003, there were no payments made to the governing board of Grant Parish Fire District No. 1.

ROZIER, HARRINGTON & MCKAY

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June 21, 2004

Fire Protection District No. 1
of Grant Parish
Colfax, Louisiana 71417

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Fire Protection District No. 1 of Grant Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Fire Protection District No. 1 of Grant Parish'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. 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 \$7,500, 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).

Transactions meeting the scope of the bid law were limited to a contract for construction of a building. Based on information in the Fire District's files, bids were solicited as required by the public bid law and the contract was awarded to the low bidder.

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.

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Fire Protection District No. 1 of Grant Parish
June 21, 2004

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 (agreed-upon procedure (3)) appeared on the list provided by management in agreed-upon procedure (2).

BUDGETING

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

Management provided a copy of the original and there were no amendments.

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

Finding 2003-1

Minutes provided by management do not mention adopting the original budget; however, on March 18, 2003 the Board approved a motion "to make budget changes as presented".

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Variances were within limits permitted by State Law.

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 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 disbursement indicated that each check was signed by authorized personnel that are not involved in the accounting function. No further approval was required.

Fire Protection District No. 1 of Grant Parish
June 21, 2004

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 Fire Protection District is only required to post a notice of each meeting and the accompanying agenda on the door of the meeting facility. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion.

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 deposit activity for the period under examination. Proceeds of debt were limited to general obligations bonds which were issued with the assistance of qualified bond counsel.

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, advances, or gifts.

We read minutes and inspected payroll records for the year and noted 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 the Fire Protection District No. 1 of Grant Parish 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.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

Grant Parish Fire District No. 1
Schedule of Prior Year Findings
For the Year Ended December 31, 2003

SECTION I Compilation Report	
N/A - No findings of this nature were reported	<u>Response</u> – Not applicable.
SECTION II Attestation Report	
<p><u>Finding 2002-1</u> For each of the purchases described above, management was unable to document compliance with public bid law.</p> <p><u>Finding 2002-2</u> We traced the adoption of the original budget to the minutes of a meeting held on January 28, 2002 which indicated that the budget had been adopted by the board without opposition. The budget was not adopted before the beginning of the year as required by State Law.</p>	<p><u>Resolved</u> For the year ended December 31, 2003, contracts were awarded as required by public bid law.</p> <p><u>Unresolved</u> See Finding 2003-1.</p>
SECTION III Management Letter	
N/A - No findings of this nature were reported	<u>Response</u> – Not applicable.

Louisiana Attestation Questionnaire

APPENDIX

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

_____ (Date Transmitted)

Rozier Harrington & McKay

Post Office Box 12178

Alexandria, LA 71315

_____ (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 _____.

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 []

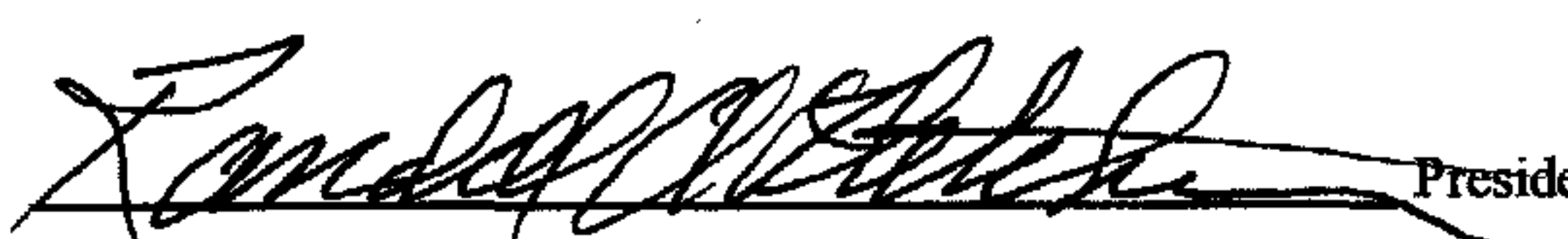
Advances and Bonuses

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.

 President 6/8/04 Date