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**FIRE PROTECTION DISTRICT NO. 1
PARISH OF ST. MARY
STATE OF LOUISIANA**

**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

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The Board of Commissioners
St. Mary Parish Fire Protection District No. 1
Cypremort Point, Louisiana

We have compiled the accompanying basic financial statements of the St. Mary Parish Fire Protection District No. 1 as of and for the year ended December 31, 2003, in accordance with Statements and 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 St. Mary 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.

The St. Mary Parish Fire Protection District No. 1 adopted the provisions of Government 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*, as of January 1, 2003. This results in a change in the format and content of the basic financial statements.

The St. Mary Parish Fire Protection District No. 1 has not presented the management’s discussion and analysis that the Government Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Guidry, Chauvin & Taylor, CPA's
Certified Public Accountants

Franklin, Louisiana
June 4, 2004

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

**STATEMENT OF NET ASSETS
December 31, 2003**

ASSETS	
Cash and cash equivalents	\$ 997,045
Investments	281,239
Ad valorem taxes receivable	68,973
Other assets	33
Capital assets, net of accumulated depreciation	<u>272,188</u>
Total assets	<u>1,619,478</u>
LIABILITIES	
Accounts payable	<u>-</u>
NET ASSETS	
Invested in capital assets, net of related debt	272,188
Unrestricted	<u>1,347,290</u>
Total net assets	<u>\$ 1,619,478</u>

The notes to the financial statements are an integral part of this statement.

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

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2003**

Expenses:	
General government	\$ 25,384
Public safety - fire protection	<u>32,242</u>
Total program expenses	57,626
Program revenues	<u>-</u>
Net program expense	<u>(57,626)</u>
General revenues	
Ad valorem taxes	75,724
Allocation from St. Mary Parish	15,826
Investment earnings	<u>14,231</u>
Total general revenues	<u>105,781</u>
Increase in net assets	48,155
Net assets, beginning	<u>1,571,323</u>
Net assets, ending	<u>\$ 1,619,478</u>

The notes to the financial statements are an integral part of this statement.

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

**BALANCE SHEET – GOVERNMENTAL FUND
December 31, 2003**

ASSETS

Cash and cash equivalents	\$ 997,045
Investments	281,239
Ad valorem taxes receivable	68,973
Other assets	<u>33</u>

Total assets \$ 1,347,290

LIABILITIES AND EQUITY

Liabilities:

Accounts payable	<u>-</u>
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Equity

Fund balance, unrestricted	<u>1,347,290</u>
----------------------------	------------------

Total liabilities and equity \$ 1,347,290

The notes to the financial statements are an integral part of this statement.

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

**RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUND
TO THE STATEMENT OF NET ASSETS
December 31, 2003**

Total fund balance - governmental fund	\$ 1,347,290
 The purchase of capital assets are reported as expenditures as they are incurred in governmental funds. The Statement of Net Assets reports capital assets as an asset to the District. These capital assets are depreciated over their estimated useful lives in the Statement of Activities and are not reported in the governmental funds.	
Cost of capital assets	441,408
Less: accumulated depreciation	<u>(169,220)</u>
	<u>272,188</u>
 Net assets	 <u>\$ 1,619,478</u>

The notes to the financial statements are an integral part of this statement.

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

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
For the Year Ended December 31, 2003

Revenues	
Ad valorem taxes	\$ 75,724
Allocation from St. Mary Parish	15,826
Investment earnings	<u>14,231</u>
Total revenues	<u>105,781</u>
Expenditures	
Current	
General government	25,384
Public safety	7,967
Capital outlay	<u>11,852</u>
Total expenditures	<u>45,203</u>
Excess of revenues over expenditures	60,578
Fund balance, beginning	<u>1,286,712</u>
Fund balance, ending	<u>\$ 1,347,290</u>

The notes to the financial statements are an integral part of this statement.

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2003**

Net change in fund balance - governmental fund	\$ 60,578
Amounts reported for governmental activities in the statement of activities are different as follows:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over the estimated useful lives as depreciation expense.	
Capital outlay	11,852
Depreciation expense	<u>(24,275)</u>
	<u>(12,423)</u>
Change in net assets of governmental activities	<u>\$ 48,155</u>

The notes to the financial statements are an integral part of this statement.

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

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2003**

INTRODUCTION

Fire Protection District No. 1 of the Parish of St. Mary, State of Louisiana, was created by Ordinance No. 1096 of the St. Mary Parish Council on April 25, 1990 for the purpose of providing fire protection, medical assistance, and extrication rescue. The District encompasses all of the territory within Ward 2 of the Parish of St. Mary lying to the south and southwest of the centerline of the Gulf Intracoastal Waterway. The District's firefighters are volunteers of the Cypremort Point Volunteer Fire Department.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513, and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

The district is a component unit of the St. Mary Parish Council, the financial reporting entity. The parish council is financially accountable for the district because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements presents information only on the funds maintained by the district and do not present information on the parish council, the general government services provided by that governmental unit, or the governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended December 31, 2003

Funds of the district are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies. The following fund type is used by the district.

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

D. BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund 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 Balance 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 operations.

The amounts reflected in the FFS 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 "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The following practices is a summary of how the District accounts for its major sources of revenues and expenditures:

Revenues

Ad valorem taxes (which are based on population and homesteads in the District) are recorded in the year the tax assessments are received from the parish tax collector. Revenues from grants and intergovernmental revenues are recognized when management believes all significant grant or usage requirements have been met. Interest income on investments is recorded when the investments have matured and the income is available. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on general long-term debt which is not recognized until due.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended December 31, 2003**

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflect 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 Statement of Activities are derived directly from users as a fee for services. Program revenues reduce the cost of the function to be financed from general revenues.

E. BUDGETS

The district follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The district prepares a proposed budget and submits it to the board prior to the beginning of each fiscal year.
2. The budget is adopted by the board.
3. Budgetary amendments involving increases or decreases in revenues or expenditures will require the approval of the board.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or amended by the board.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the district as an extension of formal budgetary integration in the funds.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended December 31, 2003**

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S. 33:2955) and the district's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. For the year ended December 31, 2003, the district's investments include amounts deposited with the Louisiana Asset Management Pool.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of the donation

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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	25 years
Fire Trucks	15 years
Equipment	5-10 years

J. LONG-TERM OBLIGATIONS

There are no long-term obligations outstanding at December 31, 2003.

K. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended December 31, 2003**

L. RESTRICTED NET ASSETS

In the government-wide Statement of Net Assets, net assets are recorded as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or are imposed by law through constitutional provisions or enabling legislation.

M. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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

At December 31, 2003, the District has cash and cash equivalents (book balances) totaling \$997,045 in an interest-bearing demand deposit checking account. 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 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 District has \$998,398 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 federal deposit insurance and securities pledged by the fiscal agent bank with a market value at December 31, 2003 of \$1,239,329.

NOTE 3 - INVESTMENTS

The District can invest in securities of the United States Government unless such an investment is expressly prohibited by law.

Investments in the amount of \$281,239 at December 31, 2003 are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 1150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended December 31, 2003**

backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balance.

NOTE 4 - AD VALOREM TAXES

The District's property tax is levied in October of each year on the assessed value of property within the District's taxing area. The taxes are delinquent by January 1 at which time an enforceable lien is attached to the property. The taxes are collected on behalf of the District by the Sheriff and then remitted to the District. Most of the taxes are actually received in January and February. For the year ended December 31, 2003, total taxes levied were \$75,879. The millage assessed on the property for the year ended December 31, 2003 was 10.01 mills.

NOTE 5 - LEASES

The District has no material long-term non-cancelable lease commitments at December 31, 2003.

NOTE 6 - CAPITAL ASSETS

Capital assets and depreciation activity for the year ended December 31, 2003 follows:

	Balance January 1, 2003	Additions	Deletions/ Adjustments	Balance December 31, 2003
Buildings	\$ 47,198	\$ -	\$ -	\$ 47,198
Equipment	302,687	11,852	-	314,539
Land and improvements	<u>79,671</u>	<u>-</u>	<u>-</u>	<u>79,671</u>
Total	429,556	11,852	-	441,408
Less: accumulated depreciation	<u>-</u>	<u>(144,946)</u>	<u>(24,274)</u>	<u>(169,220)</u>
Net capital assets	<u>\$ 429,556</u>	<u>\$ (133,094)</u>	<u>\$ (24,274)</u>	<u>\$ 272,188</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended December 31, 2003**

NOTE 7 – RELATED PARTIES

The Cypremort Point Volunteer Fire Department provides volunteer firefighters for Fire Protection District No. 1.

The District is also a related party of the St. Mary Parish Council, the primary government. See Note 1 for further explanation of this relationship. The Parish Council allocated \$15,826 in funds to the District during the year ended December 31, 2003.

NOTE 9 – CONCENTRATIONS

The majority of the District's revenues come from property tax revenue. The property taxes collected during 2003 accounted for approximately 72% of total revenues.

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, or damage to assets, errors and omissions, injuries to employees and natural disasters. The District has purchased commercial insurance to protect against loss from substantially all of these perils.

NOTE 11 – LITIGATION

There is no litigation pending against the District at December 31, 2003.

NOTE 12 - COMPENSATION PAID TO COMMISSIONERS

The District's commissioners received the following per diem for the year ended December 31, 2003:

<u>Name</u>	<u>Amount</u>
Robert Auerbach	\$ 360
Richard Legnon	360
Hazel Anderson	270
Therisa Trosclair	240
Nicky Begnaud	300
	<u>\$ 1,530</u>

REQUIRED SUPPLEMENTAL INFORMATION

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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 98,500	\$ 75,800	\$ 75,724	\$ (76)
Allocation from St. Mary Parish	15,700	15,700	15,826	126
Investment earnings	20,000	14,200	14,231	31
Total revenues	<u>134,200</u>	<u>105,700</u>	<u>105,781</u>	<u>81</u>
Expenditures				
Current - General government				
Board per diem	1,800	1,800	1,530	270
Electric	1,200	1,200	1,150	50
Insurance	7,000	7,000	7,570	(570)
Miscellaneous	1,200	1,200	91	1,109
Office expense	1,000	1,000	17	983
Official journal	1,000	1,000	760	240
Assessor's pension	3,000	3,000	2,399	601
Telephone	1,600	1,600	1,468	132
Professional fees	3,000	3,000	1,399	1,601
Outside services	9,000	9,000	9,000	-
Total general government	<u>29,800</u>	<u>29,800</u>	<u>25,384</u>	<u>4,416</u>
Current - Public safety				
Communication	4,000	4,000	1,565	2,435
Grounds and building maintenance	6,500	6,500	3,209	3,291
Prevention services	3,500	3,500	-	3,500
Public safety equipment	2,500	2,500	1,740	760
Training	1,000	1,000	-	1,000
Trucks and pump maintenance	22,000	22,000	1,453	20,547
Water supply	1,500	1,500	-	1,500
Total public safety	<u>41,000</u>	<u>41,000</u>	<u>7,967</u>	<u>33,033</u>
Current - Health and safety				
Emergency medical technician	1,000	1,000	-	1,000
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>11,852</u>	<u>3,148</u>
Total expenditures	<u>86,800</u>	<u>86,800</u>	<u>45,203</u>	<u>41,597</u>
Excess (deficiency) of revenues over expenditures	47,400	18,900	60,578	41,678
Fund balance, beginning	<u>1,286,712</u>	<u>1,286,712</u>	<u>1,286,712</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,334,112</u>	<u>\$ 1,305,612</u>	<u>\$ 1,347,290</u>	<u>\$ 41,678</u>

**INFORMATION REQUIRED BY THE LOUISIANA
GOVERNMENTAL AUDIT GUIDE**

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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES**

To the Board of Commissioners
Fire Protection District No. 1
Cypremort Point, Louisiana

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

Scanned disbursements made during the year for materials and supplies exceeding \$15,000 and for public works exceeding \$100,000. There were no expenditures during the year for firefighting equipment that exceeded the public bid law threshold.

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (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 list of all individuals paid compensation during the period under examination.

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

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

As noted in agreed-upon procedure (3), the District had no employees during the period under examination.

Budgeting

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

Management provided us with a copy of the original budget and all 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 indicating the budget had been adopted by the commissioners of the District by a unanimous vote. We also traced all of the approved budget amendments to the minutes.

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 and expenditures for the year did not exceed budgeted amounts by more than 5%.

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

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

All six of the expenditures examined were properly approved. All were approved at the meetings of the board, which we determined by examining minutes.

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 posts a notice of each meeting and the accompanying agenda on the door of the district's office. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agenda.

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 examined copies of all bank deposit slips for the year under examination and noted none of the deposits appeared to be bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

As noted previously, the District had no employees during the period under examination. Additionally, review of board minutes did not disclose any approvals for payments that could be construed to be bonuses, advances, or gifts.

The prior year report dated June 24, 2003, which was prepared by other accountants, did not include any 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 the management of Fire Protection District No. 1 of the Parish of St. Mary, the St. Mary Parish Council, and the Legislative Auditor for the 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.

Guidry, Chauvin & Taylor, CPA's
Certified Public Accountants

Franklin, Louisiana
June 4, 2004

**FIRE PROTECTION NO. 1
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA**

LOUISIANA ATTESTATION QUESTIONNAIRE

YEAR ENDED DECEMBER 31, 2003

Fire dd

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

5-9-04 (Date Transmitted)

GUIDRY, CHAUVIN & TAYLOR, CPAs
P.O. Box 1028
FRANKLIN, LA 70538

(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~~ 5/9/2004 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>IPW Auerbaek</u>	Secretary	<u>5/9/14</u>	Date
<u>Richard Legner</u>	Treasurer	<u>5/10/14</u>	Date
<u>IPW Auerbaek</u>	President	<u>5/9/14</u>	Date

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.