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FINANCIAL STATEMENTS AND ACCOUNTANT'S COMPILATION REPORT

**FIRE PROTECTION GRANT OF
LABADIEVILLE VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Labadieville, Louisiana
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 9.8.04

Waguespack & Gallagher, LLC
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Commissioners of
Labadieville Volunteer Fire Department
Labadieville, Louisiana

We have compiled the accompanying fire protection grant financial statements of Labadieville Volunteer Fire Department received from Assumption Parish Police Jury, Labadieville, Louisiana, as of and for the year ended December 31, 2003, 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 management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

As discussed in Note A, the financial statements present only the fire protection grant from Assumption Parish Police Jury and are not intended to present fairly the financial position and results of operations of Labadieville Volunteer Department, in conformity with generally accepted accounting principles.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated June 9, 2004, on the results of our agreed-upon procedures.

Waguespack & Gallagher, LLC

June 9, 2004

**FIRE PROTECTION GRANT OF
LABADIEVILLE VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Labadieville, Louisiana**

**BALANCE SHEET - FIRE PROTECTION GRANT
December 31, 2003
(See Accountant's Compilation Report)**

	<u>Special Revenue Fund-Fire Protection Grant</u>	<u>General Fixed Assets Acquired With Grant Funds</u>	<u>Total (Memorandum Only)</u>
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 5,419	\$ -	\$ 5,419
Due from volunteer fund	8,782	-	8,782
A/R-Fire protection grant	685	-	685
General Fixed Assets-Grant:			
Fire protection equipment	<u>-</u>	<u>37,003</u>	<u>37,003</u>
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 14,886</u>	<u>\$ 37,003</u>	<u>\$ 51,889</u>
 LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
Equity and Other Credits:			
Investments in general fixed assets-grant funds	-	37,003	37,003
Fund balance-unreserved, undesignated	<u>14,886</u>	<u>-</u>	<u>14,886</u>
TOTAL EQUITY AND OTHER CREDITS	<u>14,886</u>	<u>37,003</u>	<u>51,889</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 14,886</u>	<u>\$ 37,003</u>	<u>\$ 51,889</u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION GRANT OF
LABADIEVILLE VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Labadieville, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
SPECIAL REVENUE FUND
FIRE PROTECTION GRANT
For the Year Ended December 31, 2003
(See Accountant's Compilation Report)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues:			
Fire protection grant from Assumption Parish Police Jury	\$ 21,270	\$ 25,836	\$ 4,566
Fire insurance rebate	<u>11,230</u>	<u>11,230</u>	<u>-</u>
TOTAL REVENUES	<u>32,500</u>	<u>37,066</u>	<u>4,566</u>
EXPENDITURES			
Current operating			
Public safety	24,700	32,856	(8,156)
Capital outlay			
Public safety	<u>8,000</u>	<u>2,110</u>	<u>5,890</u>
TOTAL EXPENDITURES	<u>32,700</u>	<u>34,966</u>	<u>(2,266)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(200)</u>	<u>2,100</u>	<u>2,300</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>12,786</u>	<u>12,786</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 12,586</u>	<u>\$ 14,886</u>	<u>\$ 2,300</u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION GRANT OF
LABADIEVILLE VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Labadieville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2003**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fire Protection Grant of Labadieville Volunteer Fire Department received from Assumption Parish Police Jury have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the fire department's accounting policies are described below.

FINANCIAL REPORTING ENTITY – On April 18, 1991, the Assumption Parish Police Jury entered into a grant agreement with Labadieville Volunteer Fire Department of Assumption Parish. The fire protection grant was for the purpose of acquiring, maintaining, and operating buildings, machines, water tanks, water hydrants, water lines and any other things necessary to provide proper fire prevention and control of the property within the boundaries of the department.

The volunteer fire department is a privately created quasi-public corporation that is subject to the grant provisions of its funding agency. The board members are not appointed by the police jury. The volunteer fire department is not fiscally dependent on the police jury and the nature and significance of their relationship with the police jury is not such that their exclusion would render the police jury's financial statements incomplete or misleading. Therefore, the volunteer fire department is a separate special purpose government.

The accompanying financial statements present information only on the fire protection grant received by the fire department from the Assumption Parish Police Jury and do not present information on the Police Jury, the general government services provided by that governmental unit, and other governmental units that comprise the police jury reporting entity, nor any other non grant funds received by the fire department. Labadieville Volunteer Fire Department has no component units.

FUND ACCOUNTING - The fire department is organized and operated on the basis of a fund and account group whereby a separate, self balancing set of accounts is maintained that comprises its assets, liabilities, fund equity, revenues, and expenditures.

SPECIAL REVENUE FUND - The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

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

BASIS OF ACCOUNTING - Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The fire department's records are maintained on a cash basis of accounting. However, the fund, as reported in the accompanying financial statements, has been converted to a modified accrual basis of accounting using the following practices in recording revenues and expenditures:

**FIRE PROTECTION GRANT OF
LABADIEVILLE VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Labadieville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2003**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues are recognized in the accounting period in which they become susceptible to accrual-that is when they become measurable and available to finance expenditures of the fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

BUDGET PRACTICE - *The fire department adopts an annual budget based on anticipated revenues consistent with generally accepted accounting principles. Annual appropriations of funds are not made. Budgetary accounts are not integrated in the formal accounting system. Encumbrance accounting is not followed because of the small number of transactions involved.*

CASH AND CASH EQUIVALENTS - For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit. Amounts are classified as cash equivalents if the original maturities are 90 days or less. Under state law, the department may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana and national banks having their principal offices in Louisiana. Further, the department may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

GENERAL FIXED ASSETS AND LONG-TERM LIABILITIES - Fixed assets are accounted for in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs. The account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations. It is the policy of the department not to capitalize interest. As the department has no infrastructure assets, no accounting policy for infrastructure assets has been adopted.

PENSION PLAN AND VACATION AND SICK LEAVE - All members of the fire department are volunteers. Therefore, the fire department does not contribute to a pension plan and does not have a formal vacation and leave policy.

**FIRE PROTECTION GRANT OF
LABADIEVILLE VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Labadieville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2003**

NOTE B - CASH AND CASH EQUIVALENTS

At December 31, 2003, the department had cash and cash equivalents totaling (book balances) \$5,419. Cash and cash equivalents are stated at cost, which approximates market. The following is a summary of cash and cash equivalents (bank balances) at December 31, 2003, with the related federal deposit insurance:

Demand deposits	\$ <u>5,658</u>
Federal deposit insurance	\$ <u>5,658</u>
Total insurance	\$ <u>5,658</u>

NOTE C - CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in fixed assets.

	<u>BALANCE</u> <u>12-31-02</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12-31-03</u>
Fire protection equipment	\$ <u>34,893</u>	\$ <u>2,110</u>	\$ <u>-</u>	\$ <u>37,003</u>

NOTE D - LITIGATION AND CLAIMS

There are no claims or litigation pending against the fire department at December 31, 2003 according to management of the fire department.

**REPORT AND ACCOMPANYING QUESTIONNAIRE REQUIRED BY
THE LEGISLATIVE AUDITOR, STATE OF LOUISIANA**

Waguespack & Gallagher, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of
Labadieville Volunteer Fire Department
Labadieville, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Labadieville Volunteer Fire Department and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Labadieville Volunteer Fire Department's compliance with certain laws and regulations during the period ended December 31, 2003 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with attestation 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 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).

No expenditures were made during the year for materials and supplies exceeding \$15,000 or public works exceeding \$100,000.

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.

All members and commissioners of the fire department are volunteers. Therefore, the fire department had no employees during the period under examination.

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

As indicated in procedure (3), there were no employees during the period under examination. Thus, this procedure would not be applicable.

BUDGETING

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

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

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

We traced the adoption of the original budget to the minutes, which indicated that the budget had been adopted by the Commissioners of the Labadieville Volunteer Fire Department.

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. Actual revenues did not fail to meet budgeted amounts by more than 5%. However, actual expenditures did exceed budgeted amounts by 7%. The fire department failed to amend its 2003 budget for approval and adoption in the minutes.

Management's Response: Management concurs with the finding. The fire department mistakenly did not amend its 2003 budget for approval and adoption in the minutes.

Management's Corrective Action Planned: Management of the fire department will amend its budget for approval and adoption in the minutes if actual revenues fail to meet budgeted revenues by more than 5% or if actual expenditures exceed budgeted expenditures 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

Each disbursement appeared to be correctly coded.

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

Inspection of documentation supporting each of the six selected disbursements indicated approval from the treasurer. In addition, the treasurer's report was traced to the fire departments minutes where the report was approved by the 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 Labadieville Volunteer Fire Department posts a notice and accompanying agenda of each meeting on the station door. Management has asserted that such documents were properly posted.

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 and bank statements for the period under examination and noted no deposits, which appeared to be proceeds of bank loans, bonds, or like indebtedness.

ADVANCES AND BONUSES

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

The fire department did not employ any employees for the year and a reading of the minutes of the fire department did not indicate any such payments made to the volunteer members.

The prior year report, dated June 11, 2003, had 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 the management of Labadieville Volunteer Fire Department 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 purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Wagnon + Gallagh, LLC

June 9, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
12-31-03 (Date Transmitted)

Waguespack & Gallagher, LLC
Post Office Box 250
Napoleonville, LA 70390 (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 [] 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

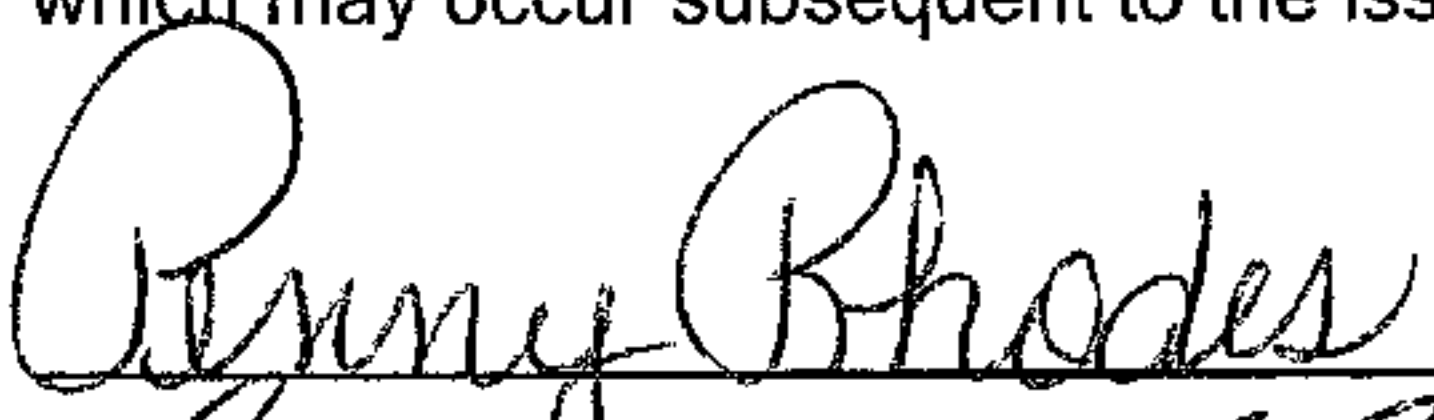

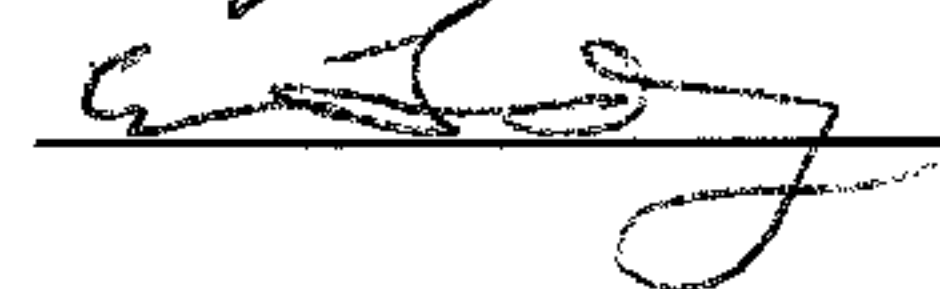
It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 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.

	Secretary	<u>12-3-03</u>	Date
	Treasurer	<u>12-1-03</u>	Date
	President	<u>12-3-03</u>	Date