

**Fire Protection District No. 12
Cheneyville, Louisiana**

Annual Financial Report

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 9.8.04

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ROZIER, HARRINGTON & MCKAY

CERTIFIED PUBLIC ACCOUNTANTS

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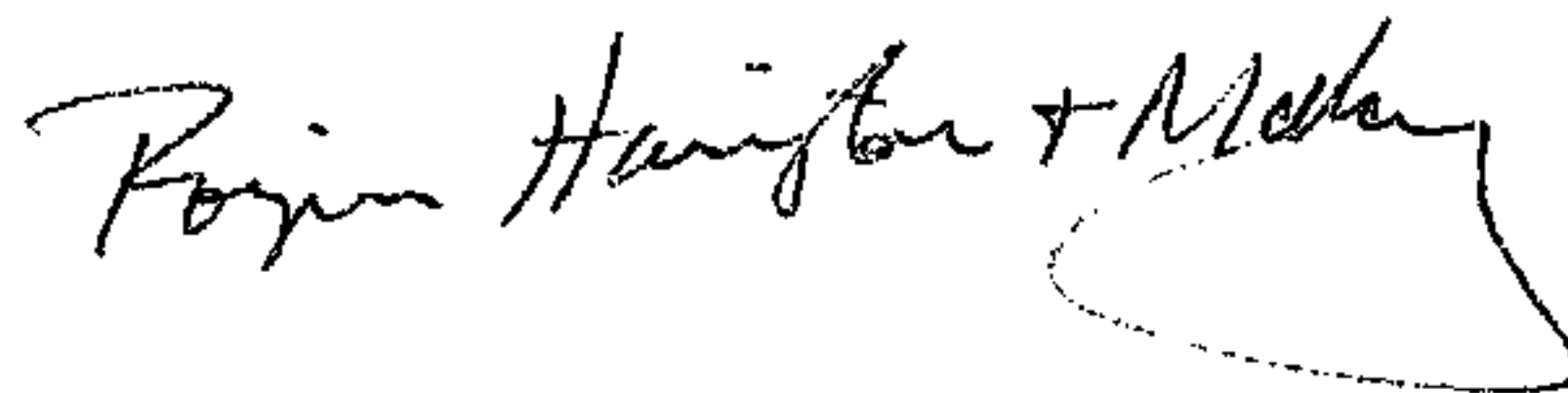
June 22, 2004

Board of Directors
Fire Protection District No. 12
Cheneyville, LA 71325

We have compiled the accompanying balance sheet of the Fire Protection District No. 12 as of December 31, 2003, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, 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 of the Fire Protection District No. 12. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a reported dated June 22, 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. 12
Cheneyville, Louisiana

Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2003

	Governmental Fund Type	Account Group	Total
	General Fund	General Fixed Assets	(Memorandum Only)
Assets:			
Cash	\$ 90,322	\$ -	\$ 90,322
Receivables	44,381	-	44,381
Property, plant, and equipment	-	274,598	274,598
Total Assets	<u>\$ 134,703</u>	<u>\$ 274,598</u>	<u>\$ 409,301</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,817	\$ -	\$ 1,817
Total Liabilities	<u>1,817</u>	<u>-</u>	<u>1,817</u>
Fund Balance:			
Investment in general fixed assets	-	274,598	274,598
Unreserved fund balance	132,886	-	132,886
Total Fund Balances	<u>132,886</u>	<u>274,598</u>	<u>407,484</u>
Total Liabilities and Fund Balance	<u>\$ 134,703</u>	<u>\$ 274,598</u>	<u>\$ 409,301</u>

See Accountants' Compilation Report.

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

Fire Protection District No. 12
Cheneyville, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
All Governmental Fund Types
For the Year Ended December 31, 2003

	General Fund
<u>Revenues:</u>	
Ad valorem taxes	\$ 56,974
State revenue sharing	1,727
2% Insurance rebate	-
Interest earnings	155
Miscellaneous	<u>2,008</u>
Total revenues	<u>60,864</u>
<u>Expenditures:</u>	
General government:	
Fees & dues	622
Insurance	7,852
Labor	4,245
Legal and accounting	2,650
Office expense	3,601
Repairs and maintenance	5,940
Supplies	2,413
Utilities and telephone	1,435
Public Safety:	
Capital outlays	20,180
Fuel	851
Miscellaneous	1,077
Uniforms	<u>1,798</u>
Total expenditures	<u>52,664</u>
Excess (deficiency) of revenues over expenditures	8,200
Fund balance - beginning of year	<u>124,686</u>
Fund balance - end of year	<u>\$ 132,886</u>

See Accountants' Compilation Report.

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

Fire Protection District No. 12
Cheneyville, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2003

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Ad valorem taxes	\$ 50,000	\$ 56,974	\$ 6,974
State revenue sharing	1,800	1,727	(73)
2% Insurance rebate	3,000	-	(3,000)
Interest earnings	2,000	155	(1,845)
Miscellaneous	500	2,008	1,508
Total revenues	57,300	60,864	3,564
Expenditures:			
General government:			
Fees & dues	500	622	(122)
Insurance	7,400	7,852	(452)
Labor	-	4,245	(4,245)
Legal and accounting	2,600	2,650	(50)
Office expense	1,500	3,601	(2,101)
Repairs and maintenance	6,000	5,940	60
Supplies	6,000	2,413	3,587
Utilities and telephone	1,000	1,435	(435)
Public Safety:			
Capital outlays	27,300	20,180	7,120
Fuel	2,000	851	1,149
Miscellaneous	2,000	1,077	923
Uniforms	1,000	1,798	(798)
Total expenditures	57,300	52,664	4,636
Excess (deficiency) of revenues over expenditures	-	8,200	8,200
Fund balance - beginning of year	124,686	124,686	-
Fund balance - end of year	\$ 124,686	\$ 132,886	\$ 8,200

See Accountants' Compilation Report.

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

Fire Protection District No. 12

Notes to Financial Statements

INTRODUCTION

The Fire Protection District No. 12, hereinafter referred to as the **District** was organized pursuant to the provisions of an ordinance adopted by the Police Jury of the Parish of Rapides, State of Louisiana, and the Town of Cheneyville on July 21, 1987, by virtue of the authority conferred by Part 1, Chapter 7, Title 40 of the Louisiana Revised Statutes of 1950.

The **District** constitutes a public corporation and political subdivision of the State of Louisiana and has the authority to incur debt.

The governing authority of the **District** is a board of commissioners consisting of five members, each of which is a resident property taxpayer of the **District**. Two members are appointed by the Rapides Parish Police Jury, two members by the Town of Cheneyville, and one member is selected by the preceding four members who serves as chairman of the board.

On July 18, 1998, a special election was held to levy and collect a special ad valorem tax of ten (10) mills on each dollar of assessed valuation, on all property subject to such taxation within the confines of the **District** for a period of ten years, beginning with the year 1998 for the purpose of constructing, operating, and maintaining fire protection facilities and paying the cost of obtaining water for fire protection purposes.

The **District** operates as a volunteer fire department and consequently has no personnel expenditures. The value of donated services is not reflected in the accompanying financial statements since there is no objective basis by which to measure the value of these services. However, a substantial number of volunteers have donated significant amounts of their time in administrative and fire-fighting efforts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A. Basis of Presentation

The accompanying financial statements of the **District** have been prepared in conformity with generally accepted accounting principles for 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

GASB Statement No. 14 has established standards for defining and reporting on the financial reporting entity. According to GASB Statement No. 14, a state may allow local governments to form regional governments or similar entities to provide goods or services to the citizens

Fire Protection District No. 12

Notes to Financial Statements

served by the local governments. When an arrangement of this type does not create an ongoing financial interest or responsibility for the participating governments, the newly formed entity is considered a jointly governed organization.

On July 21, 1987, the Police Jury of the Parish of Rapides, State of Louisiana, and the Town of Cheneyville formed the Fire District No. 12 to provide fire protection services to citizens served by the local governments. Since neither the Rapides Parish Police Jury nor the Town of Cheneyville has an ongoing financial interest or responsibility in the **District's** operations, the **District** is a jointly governed organization. The **District's** Status as a jointly governed organization enables it to issue financial statements separate from those of the participating governments.

The accompanying financial statements of the **District** present the financial position of the governmental fund type and account groups, and the results of operations of those funds.

C. Fund Accounting

The accounts of the **District** are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures. The general fund is 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

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental fund type is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within 60 days after year-end.

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

E. Budgets

A budget for the year ended December 31, 2003, was adopted and approved by the board of commissioners. Expenditures may not legally exceed budgeted amounts at the activity level.

Fire Protection District No. 12

Notes to Financial Statements

F. Fixed Assets

Land, building, and equipment is recorded at cost for purchased assets or at fair market value on the date of any donation. Expenditures for additions and betterments are capitalized and expenditures for maintenance and repairs are charged to operations as incurred.

The cost of assets retired or otherwise disposed of is eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are charged to operations currently.

Fixed assets are recorded and reported in the general fixed assets account group. No depreciation has been provided on general fixed assets.

G. Total Column on Statement

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 in conformity with generally accepted accounting principles; neither is such data comparable to a consolidation.

NOTE 2 – CASH

Only one bank account is maintained and utilized by the District for all receipts and disbursements. Funds are deposited in an account covered by federal depository insurance, up to a maximum of \$100,000.

NOTE 3 – RECEIVABLES

Receivables at December 31, 2003, consisted of property taxes. Property taxes are assessed and billed before the end of each calendar year, and become delinquent on December 31st.

NOTE 4 – BOARD OF COMMISSIONERS

Each of the Board of Commissioners served without compensation for the year ended December 31, 2003.

NOTE 5 – LOUISIANA FIREFIGHTERS RETIREMENT SYSTEM

Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time fire-fighters employed by a municipality, parish, or fire protection district that did not enact an ordinance prior to January 1, 1980, exempting itself from participation in the System.

Fire Protection District No. 12

Notes to Financial Statements

State statute requires covered employees to contribute a percentage of their salaries to the System. Employee contributions are determined annually based on results of the valuation of the prior fiscal year with adjustments for any dedicated tax monies or appropriate funds.

Even though the **District** has not had any employees since inception, it has made employer contributions annually into the System as assessed by the Rapides Parish Sheriff's Office, the parish tax collector.

ROZIER, HARRINGTON & MCKAY

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June 22, 2004

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Fire Protection District No. 12
Cheneyville, Louisiana

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. 12 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Fire Protection District No. 12'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).

There were no expenditures meeting the scope of the public bid law as described above.

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.

No employees paid – all voluntary.

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Fire Protection District No. 12
June 22, 2004

Not 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 minutes of a meeting, which indicated that the budget had been adopted by the commissioners of Fire Protection District No. 12. No amendments were made to the budget during the year. In tracing the budget adoption to the minutes, it resulted in the finding described below:

Finding 2003-1

The budget was not adopted before the year began. The 2003 budget was adopted on January 6, 2003.

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

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.

Fire Protection District No. 12
June 22, 2004

Inspection of the monthly board meetings indicated approvals by the full commission to pay all bills due.

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

ADVANCES AND BONUSES

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

There were no employees during the period under examination.

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. 12 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

Fire Protection District No. 12

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	
N/A - No findings of this nature were reported	<u>Response</u> – Not applicable.
SECTION III Management Letter	
N/A - No findings of this nature were reported	<u>Response</u> – Not applicable.

Fire Protection District No. 12

Management's Corrective Action Plan 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	
<u>Finding 2003-1</u> The budget was not adopted before the year began. The 2003 budget was adopted on January 6, 2003.	<u>Response 2003-1</u> In the future, we will adopt the budget prior to the new year beginning.
SECTION III Management Letter	
N/A - No findings of this nature were reported	<u>Response</u> – Not applicable.

**Louisiana Attestation Questionnaire
For the Year Ended December 31, 2003**

APPENDIX

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

06/21/04 (Date Transmitted)

Rozier, Harrington & McKay
Post Office Box 12178
Alexandria, Louisiana 71315

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 the date transmitted as presented above.

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

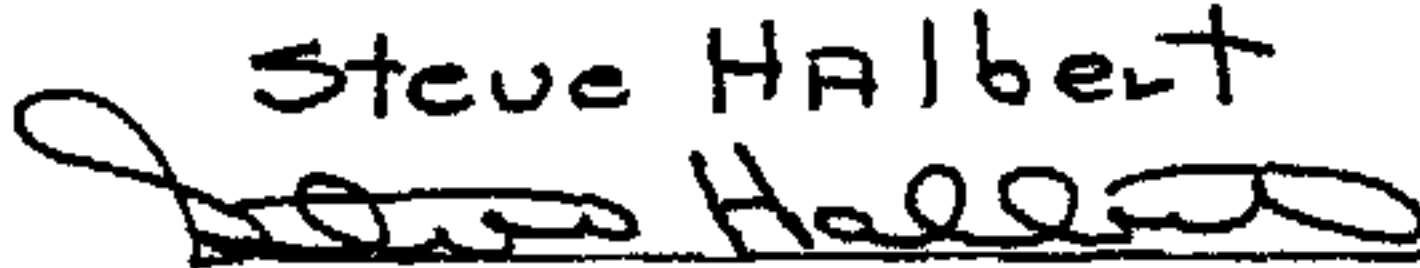
It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

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.

Steve Halbert



CHAIRMAN
President

06/21/04 Date

Fire District #12

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June 22, 2004

To the Board of Directors
Fire Protection District No. 12
Cheneyville, Louisiana 71325

In performing procedures for the Fire Protection District No. 12 for the year ended December 31, 2003, we became aware of a certain matter that needs to be brought to management's attention. This matter is described as follows:

Budget Adoption

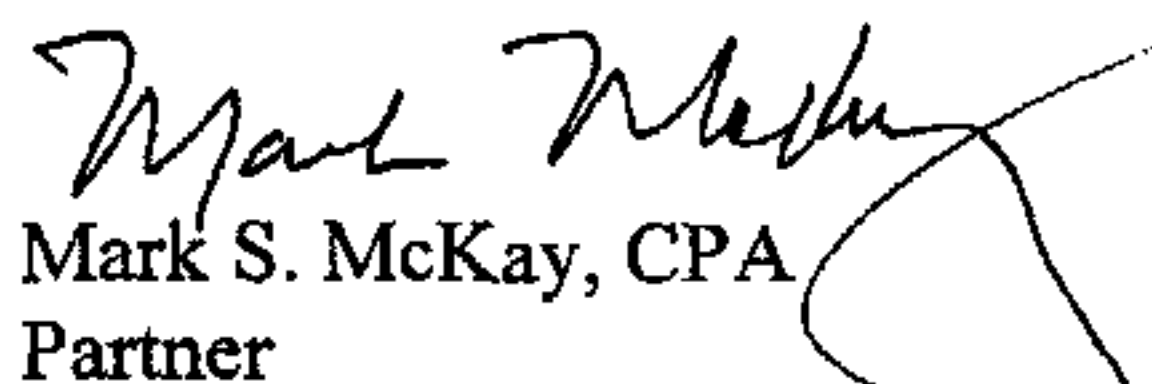
The Fire Protection District No. 12's budget was not adopted before the year began. The 2003 budget was adopted on January 6, 2003.

We suggest that the Fire Protection District No. 12 adopt the budget before the start of the new year.

We will be available at your convenience to discuss our comments in greater detail. Our firm will also be available to assist in discussing this recommendation.



ROZIER, HARRINGTON, & McKAY
Certified Public Accountants



Mark S. McKay, CPA
Partner

-Members-

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