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**LIVINGSTON PARISH FIRE PROTECTION
DISTRICT NO. 9**
(A Component Unit of the Livingston Parish Government)
Maurepas, Louisiana

ANNUAL FINANCIAL REPORT

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

LIVINGSTON PARISH FIRE PROTECTION
DISTRICT NO. 9
(A Component Unit of the Livingston Parish Government)
Maurepas, Louisiana

ANNUAL FINANCIAL REPORT

As of and for the Year Ended
December 31, 2003

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Board of Commissioners
Livingston Parish Fire
Protection District No. 9
Livingston Parish Government
Maurepas, Louisiana

I have compiled the accompanying basic financial statements of Livingston Parish Fire Protection District No. 9, a component unit of the Livingston Parish Government, 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. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Management's Discussion and Analysis on page 2 has been prepared by Livingston Parish Fire Protection District No. 9 which is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have not compiled, reviewed, or audited the supplementary information and, accordingly, assume no responsibility for it.

The Budgetary Comparison Schedule on page 18 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have compiled the Budgetary Comparison Schedule from information that is the representation of management of Livingston Parish Fire Protection District No. 9, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

Certified Public Accountant

June 25, 2004

Livingston Parish Fire Protection District No. 9
(A Component Unit of the Livingston Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and For the Year Ended December 31, 2003

INTRODUCTION

The Livingston Parish Fire Protection District No. 9 (district) is a fire district created by resolution of the Livingston Parish Police Jury (now known as the Livingston Parish Government) under the authority of Louisiana Revised Statutes 40:1492-1505 for the purpose of purchasing fire equipment and providing fire protection for the people of District No. 9 of Livingston Parish. The district is governed by a board of commissioners consisting of five members appointed by the Livingston Parish Council. Members serve staggered five-year terms and receive no compensation for their services. The district has no employees.

Management's discussion and analysis (MD&A) is a required element of the new reporting model adopted by the Government Accounting Standard's Board (GASB) in its statement number 34. The purpose of the MD&A is to provide an overview of the financial activities of the district based on currently known facts, decisions, or conditions.

FINANCIAL HIGHLIGHTS

The financial statements included in this report provide insight into the financial status for the year. Based upon the operations of 2003, the district's net assets increased by \$26,091, and resulted in ending net assets of \$330,143 or an increase of 8.6% percent.

Total spending for the governmental activity was \$71,595 for the year, which was \$26,091 less than the taxes and other revenues received for this activity.

OVERVIEW OF ANNUAL FINANCIAL REPORT

This report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required budgetary information. The basic financial statements include two kinds of statements that present different views of the district:

- Government-Wide Financial Statements
- Fund Financial Statements

Government-Wide Financial Statements

The annual financial report of the district includes two government-wide financial statements. These statements provide information about the district using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The two government-wide financial statements are as follows:

The Statement of Net Assets presents information on all of the district's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The Statement of Activities presents information showing how the district's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The purpose of the Statement of Activities is to demonstrate the financial reliance of the governmental type activities or functions of the district on revenues provided by the taxpayers.

Livingston Parish Fire Protection District No. 9

(A Component Unit of the Livingston Parish Government)
MANAGEMENT'S DISCUSSION AND ANALYSIS continued
As of and for the year ended December 31, 2003

Fund Financial Statements

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The district uses a single governmental type fund, the General Fund, to ensure and demonstrate compliance with finance-related laws and regulations. Governmental type funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

The basic financial statements can be found on pages 6 to 10 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11 to 16 of this report.

FINANCIAL ANALYSIS

Government-wide Financial Statement Analysis

The following table reflects the condensed Statement of Net Assets for 2003. Prior year data is not presented in the implementation year but will be included in future years for comparison purposes:

Livingston Parish Fire Protection District No. 9
(A Component Unit of the Livingston Parish Government)

Condensed Statement of Net Assets
December 31, 2003

Assets:	
Current Assets	\$114,296
Capital Assets	<u>242,000</u>
Total Assets	<u>356,296</u>
Liabilities:	
Current Liabilities	2,737
Long-term Liabilities	<u>23,416</u>
Total Liabilities	<u>26,153</u>
Net Assets:	
Invested in Capital Assets, Net of Debt	218,584
Unrestricted	<u>111,559</u>
Total Net Assets	<u>\$330,143</u>

Approximately 66% of the district's net assets as of December 31, 2003, reflects the district's investment in capital assets (land, buildings, machinery, and equipment) less any related outstanding debt used to acquire those assets that is still outstanding. The district uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remaining 34% of net assets, referred to as *unrestricted*, may be used to meet the ongoing obligations of the district to citizens and creditors.

Livingston Parish Fire Protection District No. 9

(A Component Unit of the Livingston Parish Government)
MANAGEMENT'S DISCUSSION AND ANALYSIS continued
As of and for the year ended December 31, 2003

The table below provides a summary of the changes in net assets for the year ended December 31, 2003:

<u>Livingston Parish Fire Protection District No. 9</u> (A Component Unit of the Livingston Parish Government)	
Condensed Statement of Activities and Changes in Net Assets For the year ended December 31, 2003	
Expenses	\$ 71,595
General Revenues	<u>97,686</u>
Change in Net Assets	26,091
Net Assets - Beginning	<u>304,052</u>
Net Assets - Ending	<u>\$330,143</u>

The district's net assets increased \$26,091 during the current fiscal year.

Fund Financial Statement Analysis

As noted earlier, the district uses a single governmental fund type, the General Fund, to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the district's general fund is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the district's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the district's general fund reported an ending fund balance of \$111,559, an increase of \$7,910 in comparison with the prior year. All of this amount constitutes unreserved fund balance, which is available for spending at the district's discretion.

BUDGETARY HIGHLIGHTS

The district demonstrated legal compliance by adopting its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues were within 5% of budgeted revenues. However, actual expenditures exceeded budgeted expenditures by 8.38%.

For the general fund, actual revenues exceeded the final budgeted amounts by \$14,186. Actual expenditures were over the final budgeted amounts by \$6,936. The district did not amend its budget.

CAPITAL ASSETS

At December 31, 2003, the district's capital assets were \$446,500 reduced by accumulated depreciation of \$204,500 resulting in net capital assets of \$242,000. More detailed information about the district's capital assets is presented in Note 6 of the financial statements.

Livingston Parish Fire Protection District No. 9

(A Component Unit of the Livingston Parish Government)
MANAGEMENT'S DISCUSSION AND ANALYSIS concluded
As of and for the year ended December 31, 2003

DEBT

At year end, the district had a note payable balance of \$23,416. This is a decrease of \$26,347 or 53% from last year. This decrease is due to the full payment of the district's land note and principal payments on the note payable for the 1994 Peterbilt tanker.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The ad valorem tax millage received by the district (10.38 mills) does not expire until 2007. The annual service charge does not expire until 2010. Therefore, the district's 2004 revenues should remain basically the same as in 2003.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the district's finances. Questions about this report or requests for additional information may be sent to Bart Leader, Chairman of the Board of Commissioners, Livingston Parish Fire Protection District No. 9, P.O. Box 40, Maurepas, Louisiana 70449.

Livingston Parish Fire Protection District No. 9
(A Component Unit of the Livingston Parish Government)

STATEMENT OF NET ASSETS
December 31, 2003

	<u>Governmental Activity</u>
ASSETS	
Cash	\$ 18,502
Receivables	95,794
Capital assets, net of accumulated depreciation	<u>242,000</u>
Total Assets	<u>\$356,296</u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable	\$ 699
Deductions from ad valorem tax	2,038
Long-term liabilities:	
Due within one year	6,161
Due after one year	<u>17,255</u>
Total Liabilities	<u>26,153</u>
Net Assets	
Investment in capital assets, net of related debt	218,584
Unrestricted	<u>111,559</u>
Total Net Assets	<u>330,143</u>
Total Liabilities and Net Assets	<u>\$356,296</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Fire Protection District No. 9
(A Component Unit of the Livingston Parish Government)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2003

	<u>Governmental Activity</u>
EXPENSES	
PUBLIC SAFETY - FIRE PROTECTION	
Materials and supplies	\$ 14,962
Other expenses	41,870
Depreciation	8,167
Interest	<u>6,596</u>
Total Expenses	<u>71,595</u>
GENERAL REVENUE	
Ad valorem taxes	44,985
User fees	41,392
State revenue sharing	2,055
Fire insurance premium rebate	8,959
Investment earnings	245
Donations	<u>50</u>
Total General Revenues	<u>97,686</u>
Change in Net Assets	26,091
Net Assets - beginning of the year	<u>304,052</u>
Net Assets - end of the year	<u>\$330,143</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Fire Protection District No. 9
(A Component Unit of the Livingston Parish Government)

BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2003

	<u>General Fund</u>
ASSETS	
Cash	\$ 18,502
Receivables	<u>95,794</u>
Total Assets	<u>\$114,296</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 699
Deductions from ad valorem tax	<u>2,038</u>
Total Liabilities	<u>2,737</u>
Fund Balance	
Fund balance - unreserved - undesignated	<u>111,559</u>
Total Liabilities and Fund Balance	<u>\$114,296</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Fire Protection District No. 9
(A Component Unit of the Livingston Parish Government)

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

REVENUES	
Ad valorem taxes	\$ 44,985
User fees	41,392
Intergovernmental revenues:	
State revenue sharing	2,055
Fire insurance premium rebate	8,959
Interest earnings	245
Donations	50
Total Revenues	<u>97,686</u>
 EXPENDITURES	
Current:	
Insurance	12,223
Office supplies	846
Operations and repairs	33,765
Professional fees	2,000
Statutory charges	2,038
Telephone	1,140
Utilities	1,851
Other	2,969
Debt Service:	
Principal	26,348
Interest	6,596
Total Expenditures	<u>89,776</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 7,910
 FUND BALANCE - BEGINNING	 <u>103,649</u>
 FUND BALANCE - ENDING	 <u>\$111,559</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Fire Protection District No. 9
(A Component Unit of the Livingston Parish Government)

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

Amounts reported for the governmental fund in the statement of activities are different because:

Net change in fund balance - governmental fund (page 9)	\$ 7,910
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense in the current year.	(8,167)
Governmental funds report debt service payments as expenditures. However, in the statement of activities, repayments of principal of indebtedness reduces long-term liabilities in the statement of net assets. This is the amount of principal repayments in the current year.	<u>26,348</u>
Change in net assets of governmental activities (page 7)	<u>\$26,091</u>

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH FIRE
PROTECTION DISTRICT NO. 9
(A Component Unit of the Livingston Parish Government)
Maurepas, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2003

INTRODUCTION

The Livingston Parish Fire Protection District No. 9 (the district) was created by resolution of the Livingston Parish Police Jury (now known as the Livingston Parish Government), under the authority of Louisiana Revised Statutes 40:1492-1505 for the purpose of purchasing fire equipment and providing fire protection for the people of District No. 9 of Livingston Parish. The district is governed by a board of commissioners consisting of five members appointed by the Livingston Parish Police Jury. Members serve staggered five-year terms and receive no compensation for their services. The district has no employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the district is considered a component unit of the Livingston Parish Government. The district is considered a component unit of the Livingston Parish Government because the Livingston Parish Government appoints all of the district board members and has the ability to impose its will on the board. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the nonfiduciary activities of the district. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The district's only fund, the general fund, is classified as a governmental type activity.

The statement of activities and changes in net assets demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from good, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements. The district has no proprietary funds.

Notes to the Financial Statements

As of and for the Year Ended December 31, 2003 continued

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The district reports the following governmental fund:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The district has no business-type activities or enterprise funds.

Amounts reported as program revenues, if any, include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Cash and Cash Equivalents

Cash includes amounts in demand deposits. Amounts in time deposits and those investments with original maturities of 90 days or less (if any) are considered to be cash equivalents. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Livingston Parish Fire Protection District No. 9

Notes to the Financial Statements

As of and for the Year Ended December 31, 2003 continued

D. Inventories

The district uses the purchase method for accounting for expendable supplies whereby expenditures are recognized when the items are purchased. The district did not record any inventory at December 31, 2003.

E. Prepaid Items

The district did not record any prepaid items at December 31, 2003.

F. Capital Assets

Capital assets are reported in the governmental activity column in the government-wide financial statements. 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 donation. The district maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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	40
Fire trucks	15
Firefighting equipment	10
Vehicles	5
Furniture and fixtures	5

G. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activity statement of net assets.

In the fund financial statements, the face amount of any debt issued is reported as other financing sources. Expenditures for principal and interest payments for long-term obligations are recognized in the general fund when paid.

H. Fund Balance

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. Designations of fund balance represent tentative management plans that are subject to change.

I. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the district, which are either unusual in nature or infrequent in occurrence.

Notes to the Financial Statements

As of and for the Year Ended December 31, 2003 continued

J. **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. **BUDGETS**

The district adopts a budget for the General Fund on the modified accrual basis each year.

3. **LEVIED TAXES/USER FEES**

The following is a summary of authorized and levied ad valorem taxes and user fees for the year 2003:

Assessed valuation	\$5,421,620
Authorized and Levied Millage General Fund	10.38
Total tax levy	\$50,150
Annual service charge assessed \$32 per structure	\$51,392

The levied millage of 10.38 is effective through the year 2007. The annual service charge is effective through the year 2010.

Ad valorem taxes and user fees attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the district during the year and actually billed to taxpayers and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Livingston Parish Sheriff bills and collects the property taxes using the assessed value determined by the Tax Assessor of Livingston Parish. The taxes are generally collected in December of the current year and January and February of the ensuing year.

The annual service charge is assessed at \$32 to persons owning residential or commercial structures, whether occupied or unoccupied, located wholly or partly within the boundaries of the district.

4. **CASH AND CASH EQUIVALENTS**

At December 31, 2003, the District had cash (book balances) totaling \$18,502, in interest-bearing demand deposits.

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. At December 31, 2003, the District had \$18,739 in deposits (collected bank balances) which is secured from risk by \$100,000 of federal deposit insurance.

Livingston Parish Fire Protection District No. 9

Notes to the Financial Statements

As of and for the Year Ended December 31, 2003 continued

5. **RECEIVABLES**

The following is a summary of receivables at December 31, 2003:

<u>Class of Receivable</u>	<u>Total</u>
Ad valorem taxes	\$44,944
User fees	41,392
State revenue sharing	2,055
Other receivables	<u>7,403</u>
Total	<u>\$95,794</u>

6. **CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital asset, not being depreciated				
Land	<u>\$70,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,000</u>
Capital assets, being depreciated				
Buildings	220,000	-	-	220,000
Fire trucks	136,500	-	-	136,500
Vehicles	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Total capital assets, being depreciated	376,500	-	-	376,500
Less accumulated depreciation	<u>196,333</u>	<u>8,167</u>	<u>-</u>	<u>204,500</u>
Total capital assets, being depreciated, net	<u>180,167</u>	<u>(8,167)</u>	<u>-</u>	<u>172,000</u>
Total capital assets, net	<u>\$250,167</u>	<u>\$(8,167)</u>	<u>\$ -</u>	<u>\$242,000</u>

7. **LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended December 31, 2003:

	<u>Bank Note Payable</u>
Long-term obligations payable at January 1, 2003	\$49,763
Payments	<u>(26,347)</u>
Long-term obligations payable at December 31, 2003	<u>\$23,146</u>

Livingston Parish Fire Protection District No. 9

Notes to the Financial Statements

As of and for the Year Ended December 31, 2003 concluded

The bank note payable was incurred on July 9, 2002, for the purpose of purchasing a 1994 Peterbilt tanker. It is due in monthly installments of \$632.88 through June 2007 at an interest rate of 6.95%. The note is collateralized by the fire truck.

The annual requirements to amortize the note payable outstanding at December 31, 2003, including interest of \$3,014, are as follows:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 7,595	\$ 6,161	\$1,434
2005	7,595	6,603	992
2006	7,595	7,077	518
2007	<u>3,645</u>	<u>3,575</u>	<u>70</u>
	<u>\$26,430</u>	<u>\$23,416</u>	<u>\$3,014</u>

8. COMPENSATION PAID TO COMMISSION MEMBERS

The district's board of commissioners receive no compensation for their services.

9. LITIGATION AND CLAIMS / RISK MANAGEMENT

The district is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district attempts to minimize risk from significant losses through the purchase of commercial insurance.

10. RELATED PARTY TRANSACTIONS

There were no related party transactions.

11. SUBSEQUENT EVENTS

The district purchased a commercial pumper mounted on a 2004 Sterling Acterra chassis from Ferrara Fire Apparatus, Inc. on February 19, 2004. The district financed \$100,000 from Hancock Bank which will be paid in five annual payments of \$22,368.14. The first annual payment will be due on the 19th day of February, 2005.

The district also obtained a \$80,000 line of credit from AmSouth bank with the collateral being a negative pledge of its real estate. On February 12, 2004, the district made a draw of \$25,000 on its line of credit.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

Livingston Parish Fire Protection District No. 9
(A Component Unit of the St. Tammany Parish Government)

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended December 31, 2003

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive(Negative)</u>
REVENUES			
Ad valorem taxes	\$40,000	\$ 44,985	\$ 4,985
User fees	35,000	41,392	6,392
Intergovernmental revenues:			
State revenue sharing	-	2,055	2,055
Fire insurance premium rebate	8,200	8,959	759
Interest earnings	300	245	(55)
Donations	-	50	50
Total Revenues	<u>83,500</u>	<u>97,686</u>	<u>14,186</u>
EXPENDITURES			
Current:			
Insurance	9,320	12,223	(2,903)
Office supplies	300	846	(546)
Operations and repairs	23,500	33,765	(10,265)
Professional fees	-	2,000	(2,000)
Statutory charges	-	2,038	(2,038)
Telephone	1,300	1,140	160
Utilities	1,570	1,851	(281)
Other	3,250	2,969	281
Debt Service:			
Principal	43,600	26,348	17,252
Interest	-	6,596	(6,596)
Total Expenditures	<u>82,840</u>	<u>89,776</u>	<u>(6,936)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 660</u>	7,910	<u>\$ 7,250</u>
FUND BALANCES - BEGINNING		<u>103,649</u>	
FUND BALANCES - ENDING		<u>\$111,559</u>	

See Accountant's report.

AGREED-UPON PROCEDURES



LEE GRAY
CERTIFIED PUBLIC ACCOUNTANT

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Commissioners
Livingston Parish
Fire Protection District No. 9
Livingston Parish Government
Maurepas, Louisiana

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Livingston Parish Fire Protection District No. 9, a component unit of the Livingston Parish Government, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Livingston Parish Fire Protection District No. 9'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, I 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 \$20,000 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).

There were no expenditures made during the year that were subject to public bid law.

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 me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Livingston Parish Fire Protection District No. 9 had no employees during the year ended December 31, 2003.

Livingston Parish Fire Protection District No. 9
Independent Accountant's Report
on Applying Agreed-Upon Procedures - (continued)

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.

Livingston Parish Fire Protection District No. 9 had no employees during the year ended December 31, 2003.

Budgeting

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

Management provided me with a copy of the original budget. There were no amendments to the budget.

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

I was unable to trace the adoption of the budget to the minutes. The minutes were incomplete.

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 more than 5%.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues fell within acceptable variances. However, actual expenditures exceeded budgeted amounts by 8.38%.

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;

I 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 for four disbursements.

However, two payments for gas and oil did not have invoices to support payments.

- b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the payments appear to have been properly coded to the correct fund and general ledger account.

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

There was no documentation for approval of invoices for any of the six disbursements.

Livingston Parish Fire Protection District No. 9
Independent Accountant's Report
on Applying Agreed-Upon Procedures - (concluded)

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 District is required to post a notice of each meeting and the accompanying agenda on the door of the fire station. There is no documentation showing that the notices are being 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.

I 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.

Livingston Parish Fire Protection District No. 9 had no employees during the year ended December 31, 2003.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Livingston Parish Fire Protection District No. 9, 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.



Certified Public Accountant

June 25, 2004

**LOUISIANA
ATTESTATION
QUESTIONNAIRE**

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

6/28/2004 (Date Transmitted)

Lee Gray, CPA
P. O. Box 368
Amite, LA 70422

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

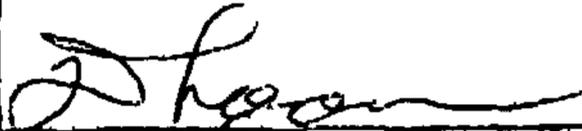
It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 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	6/28/04	Date
	Treasurer	6/28/04	Date
	President	6/28/2004	Date

Livingston Parish Fire Protection District No. 9

Corrective Action Plan for
Current Year Attestation Findings

For the Year Ended December 31, 2003

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>
03 -1	The district did not maintain a complete set of minutes.	The president was unaware a complete set of minutes needed to be maintained. The minutes will be maintained in the future.
03 -2	Failure to comply with the Local Government Budget Act. Actual expenditures exceeded budgeted expenditures by 8.38%. Unable to trace adoption of budget to the minutes.	The primary reason for exceeding the budget was due to payment of accounting fees to comply with the Local Government Budget Act. Accounting fees were in excess of 8.38% of budgeted expenditures. The budget will be amended as needed in the future.
03 -3	Two payments made by the district did not have supporting documentation.	The district has addressed this issue. All invoices are forwarded to the accountant for payment. The accountant retains all invoices.
03 -4	Lack of documentation to show approval of payments made by the district.	The president will initial all invoices prior to submitting invoices to accountant for payment.
03 -5	Lack of documentation to show evidence of posting of agendas for meetings.	The district will start maintaining evidence to support posting of agendas for meetings.

Management's response by:

Bart Leader, President
Livingston Parish Fire Protection
District No. 9
Maurepas, Louisiana

Date submitted: 6 - 30 - 04

Auditee: 