

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

**Report On Component Unit Financial Statements  
As of and For the Year Ended December 31, 2001**

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# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

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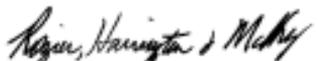
June 25, 2002

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

We have compiled the accompanying balance sheet of the Fire Protection District No. 1 of Grant Parish as of December 31, 2001 and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the accompanying supplementary information contained in the Schedule of Per Diem paid to board members, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a reported dated June 25, 2002, on the results of our agreed-upon procedures.

  
ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

**Fire Protection District No. 1 of Grant Parish**  
**Combined Balance Sheet**  
**All Fund Types and Account Groups**  
**December 31, 2001**

	Governmental	Account Group		Total
	Fund Type	General	General	General Long-
	Fund	Fixed Assets	Term Debt	(Memorandum Only)
<b>Assets:</b>				
Cash	\$ 69,684	\$ -	\$ -	\$ 69,684
Accounts receivable	114,264	-	-	114,264
Property, plant, and equipment	-	455,710	-	455,710
Amount to be provided for retirement of general long-term debt	-	-	150,000	150,000
<b>Total Assets</b>	<b>\$ 183,948</b>	<b>\$ 455,710</b>	<b>\$ 150,000</b>	<b>\$ 789,658</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Payables and accrued expenses	\$ 3,209	\$ -	\$ -	\$ 3,209
Certificates of indebtedness	-	-	150,000	150,000
<b>Total liabilities</b>	<b>3,209</b>	<b>-</b>	<b>150,000</b>	<b>153,209</b>
<b>Fund Balance:</b>				
Investment in general fixed assets	-	455,710	-	455,710
Unreserved fund balance	180,739	-	-	180,739
<b>Total fund balances</b>	<b>180,739</b>	<b>455,710</b>	<b>-</b>	<b>636,449</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 183,948</b>	<b>\$ 455,710</b>	<b>\$ 150,000</b>	<b>\$ 789,658</b>

**Fire Protection District No. 1 of Grant Parish**  
**Combined Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**All Governmental Fund Types**  
**For the Year Ended December 31, 2001**

	<u>General Fund</u>
<b>Revenues:</b>	
Ad valorem taxes and related revenue sharing	\$ 119,085
Fire insurance rebates	9,328
Other	8,380
Total revenues	<u>136,793</u>
<b>Expenditures:</b>	
<b>Public Safety:</b>	
Capital outlay	175,539
Insurance	11,898
Legal and professional	1,865
Miscellaneous	8,379
Payroll expense	15,706
Repairs and maintenance	18,076
Supplies	44,602
Utilities	7,051
Vehicle expenses	10,236
Total expenditures	<u>293,352</u>
Excess (deficiency) of revenues over expenditures	(156,559)
<b>OTHER FINANCING SOURCES (USES):</b>	
Proceeds from long-term debt	<u>150,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(6,559)
Fund balance - beginning of year	<u>187,298</u>
Fund balance - end of year	<u>\$ 180,739</u>

See Accountants' Compilation Report.

**Fire Protection District No. 1 of Grant Parish**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Cash Basis) and Actual (Cash Basis)**  
**For the Year Ended December 31, 2001**

	<b>General Fund</b>		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Ad valorem taxes and related revenue sharing	\$ 115,600	\$ 119,085	\$ 3,485
Fire insurance rebates	8,700	9,328	628
Other	2,000	8,380	6,380
Total revenues	126,300	136,793	10,493
<b>Expenditures:</b>			
<b>Public Safety:</b>			
Capital outlay	50,000	175,539	(125,539)
Insurance	11,500	11,898	(398)
Legal and professional	2,500	1,865	635
Miscellaneous	54,815	8,379	46,436
Payroll expense	29,200	15,706	13,494
Repairs and maintenance	19,500	18,076	1,424
Supplies	2,300	44,602	(42,302)
Utilities	6,100	7,051	(951)
Vehicle expenses	8,000	10,236	(2,236)
Total expenditures	183,915	293,352	(109,437)
Excess (deficiency) of revenues over expenditures	(57,615)	(156,559)	(98,944)
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from long-term debt	-	150,000	150,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	(57,615)	(6,559)	51,056
Fund balance - beginning of year	187,298	187,298	-
Fund balance - end of year	\$ 129,683	\$ 180,739	\$ 51,056

See Accountants' Compilation Report.

# **Fire Protection District No. 1 of Grant Parish**

## **Notes to Financial Statements**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

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

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

### **Fund Accounting**

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

### **Cash And Cash Equivalents:**

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

### **General Fixed Assets**

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

### **Basis Of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The general fund utilizes the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt, which is recognized in the period payment becomes due.

# Fire Protection District No. 1 of Grant Parish

## Notes to Financial Statements

### Budgetary Practices

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

### Total Column On Combined Balance Sheet

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

### Encumbrance Accounting

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

## 2. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets, for the year ended December 31, 2001, follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Buildings	\$ 16,887	\$ ----	\$ ----	\$ 16,887
Furniture, Fixtures & Equipment	263,284	175,539	----	438,823
Total	\$ 280,171	\$ 175,539	\$ ----	\$ 455,710

## 3. CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2001, the Fire District the Fire District's bank deposits were fully covered by Federal Deposit Insurance.

# Fire Protection District No. 1 of Grant Parish

## Notes to Financial Statements

### 4. AD VALOREM TAXES:

Ad Valorem taxes are assessed based on proposition approved by the voters on May 3, 1997 authorizing 15 mills for a period of 10 years beginning with 1997 for the purpose of purchasing and maintaining equipment, and the general operations of the Fire District. Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Ad valorem taxes are determined using the assessed values determined by the Tax Assessor of Grant Parish. Revenues from ad valorem taxes are recognized as revenue in the year billed.

### 5. RISK MANAGEMENT

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

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

### 6. CERTIFICATES OF INDEBTEDNESS

The Fire District has issued a \$150,000 indebtedness payable to a bank, bearing interest at a rate of 6.0%. Principle is payable in five annual installments of \$35,130, with the final installment due March 2006. A schedule of maturities of long-term debt excluding capital leases is presented as follows:

<u>Year Ended December 31<sup>st</sup>:</u>	
2002	\$ 28,270
2003	27,826
2004	29,496
2005	31,266
2006	33,142
<hr/>	<hr/>
Total	\$ 150,000

**Fire Protection District No. 1 of Grant Parish**  
**Schedule of Per Diem Paid to Board Members**  
**For the Year Ended December 31, 2001**

For the year ended December 31, 2001, there were no payments made to the governing board of Grant Parish Fire District No. 1.

# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

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June 25, 2002

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

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Fire Protection District No. 1 of Grant Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Fire Protection District No. 1 of Grant Parish's compliance with certain laws and regulations during the year ended December 31, 2001, 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).

*Expenditures meeting the scope of the public bid law listed below:*

#### Purchases:

*A new pumper truck was purchased at a cost of \$145,539.*

*A 4,000 gallon tank was purchased at a cost of \$9,000*

*A used truck was purchased at a cost of \$9,000.*

#### Bidding Process:

*Awarded to the lowest bidder per bids solicited by Winn Parish Fire District #3.*

*Three quotes were on file and the tank was purchased from the Company providing the lowest quote.*

*Three quotes were on file and the truck was purchased from the Company providing the lowest quote.*

~~Members~~

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**Purchases:**

*A used truck was purchased at a cost of \$12,000.*

**Bidding Process:**

*Three quotes were on file and the truck was purchased from the Company providing the lowest quote.*

**CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

*Management provided us with the required list including the noted information.*

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

*Management provided us with the required list.*

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

*None of the employees included on the list of employees provided by management (agreed-upon procedure (3)) appeared on the list provided by management in agreed-upon procedure (2).*

**BUDGETING**

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

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

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

*We traced the adoption of the original budget to the minutes of a meeting held on January 18, 2001 which indicated that the budget had been adopted by the board without opposition. The budget was not adopted before the beginning of the year and this matter will be addressed in the schedule of findings 2001-1.*

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. Due to the purchase of a new pumper truck, actual expenditures exceeded appropriations. This matter has been included in the schedule of findings as 2001-2.*

**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 could not locate documentation for check number 3211 to the Zone Two Water System in the amount of \$54.02. The matter has been included in the schedule of findings as 2001-3. We examined supporting documentation for each of the remaining five selected disbursements and found that payment was for the proper amount and made to the correct payee.*

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

*All of the payments were properly coded to the correct fund and general ledger account.*

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

*Inspection of documentation supporting each of the six selected disbursement indicated that each check was signed by two members of the Board. No further approval was required.*

**MEETINGS**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

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

**DEBT**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

*We inspected deposit activity for the period under examination, and noted no evidence of any deposits which constitute a loan, bond proceeds, or like indebtedness, with the exception of \$150,000 that was borrowed from Colfax Banking Company, with the approval of the State Bond Commission.*

**ADVANCES AND BONUSES**

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

*We read minutes and inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.*

*Fire Protection District No. 1 of Grant Parish*

*June 25, 2002*

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We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Fire Protection District No. 1 of Grant Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

**Grant Parish Fire District No. 1**  
**Schedule of Prior Year Findings**  
**For the Year Ended December 31, 2001**

<b>SECTION I</b> <b>Compilation Report</b>	
N/A - No findings of this nature were reported	<u>Response</u> - Not applicable.
<b>SECTION II</b> <b>Attestation Report</b>	
<b>Finding 2000-1</b> , Budgets are required to be adopted before the year begins; however, the current budget was adopted August 8, 2000.	<u>Unresolved</u> - See 2001-1
<b>SECTION III</b> <b>Management Letter</b>	
N/A - No findings of this nature were reported	<u>Response</u> - Not applicable.

**Grant Parish Fire District No. 1**  
**Management's Corrective Action Plan**  
**For the Year Ended December 31, 2001**

<b>SECTION I</b> <b>Compilation Report</b>	
N/A - No findings of this nature were reported	<u>Response</u> – Not applicable.
<b>SECTION II</b> <b>Attestation Report</b>	
<p><b><u>Finding 2001-1.</u></b> Budgets are required to be adopted before the year begins; however, the current budget was adopted January 18, 2001.</p> <p><b><u>Findings 2001-2.</u></b> Expenditures exceeded appropriations by more than the 5% allowed by law.</p>	<p><b><u>Response 2001-1.</u></b> Management expects to schedule future meetings in a manner that will allow the budget, beginning with 2003, to be adopted before the beginning of the year.</p> <p><b><u>Response 2001-2.</u></b> Expenditures exceeded the budget due to an extraordinary purchase that was not anticipated when the budget was prepared. Purchases on this nature are not anticipated in the future; however, we will review revenue and expenditures before the end of the current and future years to determine whether budget amendments are necessary.</p>
<b>SECTION III</b> <b>Management Letter</b>	
N/A - No findings of this nature were reported	<u>Response</u> – Not applicable.

## **Louisiana Attestation Questionnaire**

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

June 26, 2002 (Date Transmitted)

Rozier Harrington & McKay

Post Office Box 12178

Alexandria, LA 71315

(Auditors)

In connection with your compilation of our financial statements as of **December 31, 2001** 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 **June 26, 2002**.

**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

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We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes  No

**Advances and Bonuses**

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

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

 \_\_\_\_\_ President 6/26/07 Date