

**FIRE PROTECTION DISTRICT NO 7
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Annual Component Unit Financial Statements
with Independent Accountants' Review Report**

and

**Louisiana Attestation Questionnaire
with Independent Accountants' Report
on Applying Agreed-Upon Procedures**

For the Year Ended September 30, 2011

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 **MAR 07 2012**

CONTENTS

	<u>PAGE</u>
<u>FINANCIAL INFORMATION SECTION</u>	
Independent Accountants' Review Report	1-2
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements	
Balance Sheet-Governmental Funds	5
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	6
Budgetary Comparison – General Fund	7
Notes to the Financial Statements	8-17
<u>INFORMATION REQUIRED BY THE LOUISIANA GOVERNMENTAL AUDIT GUIDE</u>	
Independent Accountants' Report on Applying Agreed-Upon Procedures	18-21
Louisiana Attestation Questionnaire	22-23

FINANCIAL INFORMATION SECTION



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Commissioners
Fire Protection District No. 7 of the Parish
of St. Mary, State of Louisiana
Bayou Vista, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, and each major fund of Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana (the District), a component unit of St. Mary Parish, as of September 30, 2011 and for the year then ended, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

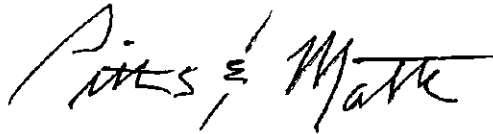
The management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and the applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require us to perform procedures to obtain limited assurance that there are not material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated February 6, 2012, on the results of our agreed-upon procedures

A handwritten signature in black ink that reads "Pines & Mathe". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

February 6, 2012

**FIRE PROTECTION DISTRICT NO 7 OF THE PARISH OF ST MARY
STATE OF LOUISIANA**

**Statement of Net Assets
September 30, 2011**

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 193,567
Total current assets	<u>193,567</u>
Capital Assets	
Vehicles and equipment, net of accumulated depreciation	<u>585,527</u>
Total net capital assets	<u>585,527</u>
Total assets	<u>\$ 779,094</u>
LIABILITIES AND NET ASSETS	
Liabilities	
Current liabilities	
Accrued expenses	\$ 2,115
Accrued interest payable	2,100
Current portion of long-term debt	<u>40,000</u>
Total current liabilities	<u>44,215</u>
Noncurrent liabilities	
Noncurrent portion of long-term debt	<u>600,000</u>
Total noncurrent liabilities	<u>600,000</u>
Total liabilities	<u>644,215</u>
Net assets (deficit)	
Invested in capital assets, net of related debt	(38,601)
Restricted for	
Debt service	3,625
Capital projects	15,872
Unrestricted	<u>153,983</u>
Total net assets	<u>134,879</u>
Total liabilities and net assets	<u>\$ 779,094</u>

**FIRE PROTECTION DISTRICT NO 7 OF THE PARISH OF ST MARY
STATE OF LOUISIANA**

**Statement of Activities
For the Period Ended September 30, 2011**

<u>Expenses</u>	<u>Total</u>
Advertising	\$ 940
Auto and truck	6,753
Insurance	27,001
Professional services	6,048
Retirement	11,873
Office	1,608
Repair and maintenance	10,894
Salaries	62,961
Utilities and telephone	4,052
Training	8,532
Miscellaneous	1,389
Depreciation expense	54,261
Interest	26,070
Total program expenses	<u>222,382</u>
 <u>Program revenues</u>	
State payroll contribution	<u>6,000</u>
Total program revenues	<u>6,000</u>
Net program (expense)	<u>(216,382)</u>
 <u>General revenues</u>	
Advalorem taxes	281,061
Investment income	449
Total general revenues	<u>281,510</u>
Change in net assets	65,128
Net assets - beginning of period	<u>69,751</u>
Net assets - end of period	<u>\$ 134,879</u>

**FIRE PROTECTION DISTRICT NO 7 OF THE PARISH OF ST MARY
STATE OF LOUISIANA**

**Balance Sheet
Governmental Funds
September 30, 2011**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 131,604	\$ 14,758	\$ 47,205	\$ 193,567
Due from Debt Service Fund			9,033	9,033
Due from Capital Projects Fund	<u>40,366</u>			<u>40,366</u>
 Total assets	 <u>\$ 171,970</u>	 <u>\$ 14,758</u>	 <u>\$ 56,238</u>	 <u>\$ 242,966</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenses	2,115			2,115
Due to General Fund			40,366	40,366
Due to Capital Projects Fund		9,033		9,033
 Total liabilities	 <u>2,115</u>	 <u>9,033</u>	 <u>40,366</u>	 <u>51,514</u>
 Fund balances (deficits)				
Unassigned	169,855			169,855
Restricted for debt service		5,725		5,725
Restricted for capital improvements			15,872	15,872
 Total fund balances	 <u>169,855</u>	 <u>5,725</u>	 <u>15,872</u>	 <u>191,452</u>
 Total liabilities and fund balances	 <u>\$ 171,970</u>	 <u>\$ 14,758</u>	 <u>\$ 56,238</u>	 <u>\$ 242,966</u>

Reconciliation of the total fund balance -- total governmental funds
to the nets assets of governmental activities

Total fund balance - Governmental Funds		\$	191,452
Amounts reported for governmental activities in the Statement of Net Assets are different because			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet			585,527
Interest payable on long-term debt does not require current financial resources, and, therefore, interest payable is not reported as a liability in the governmental funds balance sheet			(2,100)
Noncurrent liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet			
Current portion of long-term debt	\$40,000		
Noncurrent portion of long-term debt	<u>600,000</u>		<u>(\$640,000)</u>
Net assets (deficit) of governmental activities		\$	<u>134,879</u>

**FIRE PROTECTION DISTRICT NO 7 OF THE PARISH OF ST MARY
STATE OF LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Period Ended September 30, 2011**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
State payroll contribution	\$ 6,000			\$ 6,000
Ad valorem taxes	175,824	\$ 105,237		281,061
Investment income	221	162	\$ 66	449
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	182,045	105,399	66	287,510
<u>Expenditures</u>				
Current				
Advertising	940			940
Auto and truck	6,753			6,753
Insurance	27,001			27,001
Professional services	6,048			6,048
Retirement	11,873			11,873
Office	1,608			1,608
Repair and maintenance	10,894			10,894
Salaries	62,961			62,961
Utilities and telephone	4,052			4,052
Training	8,532			8,532
Miscellaneous	1,375		14	1,389
Debt service				
Principal		40,000		40,000
Interest and fiscal charges		26,070		26,070
Capital outlay	18,997		65,741	84,738
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	161,034	66,070	65,755	292,859
Excess (deficiency) of revenues over (under) expenditures	21,011	39,329	(65,689)	(5,349)
Fund balances (deficit), beginning of period	148,844	(33,604)	81,561	196,801
Fund balances (deficit), end of period	<u>\$ 169,855</u>	<u>\$ 5,725</u>	<u>\$ 15,872</u>	<u>\$ 191,452</u>

Reconciliation of the changes in fund balances - total governmental funds to the change in net assets of governmental activities

Net change in fund balance - Governmental Funds \$ (5,349)

Amounts reported for governmental activities in the Statement of Activities are different because

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases noncurrent liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net assets. This is the amount by which repayment (\$40,000) exceed proceeds (\$0) 40,000

Governmental funds report capital outlay expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$84,738) exceeded depreciation (\$54,261) 30,477

Change in net assets of governmental activities \$ 65,128

**FIRE PROTECTION DISTRICT NO 7 OF THE PARISH OF ST MARY
STATE OF LOUISIANA**

**Budgetary Comparison - General Fund
For the Year Ended September 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
State payroll contribution			\$6,000	\$6,000
Ad Valorem tax	\$164,845	\$164,845	175,824	10,979
Investment income			221	221
	<u>164,845</u>	<u>164,845</u>	<u>182,045</u>	<u>17,200</u>
<u>Expenditures</u>				
Current				
Advertising			940	(940)
Auto and truck	5,000	5,000	6,753	(1,753)
Insurance	25,000	25,000	27,001	(2,001)
Professional services			6,048	(6,048)
Retirement	17,700	17,700	11,873	5,827
Office	5,000	5,000	1,608	3,392
Repair and maintenance	14,000	14,000	10,894	3,106
Salaries	54,000	54,000	62,961	(8,961)
Utilities and telephone	3,100	3,100	4,052	(952)
Training	5,000	5,000	8,532	(3,532)
Miscellaneous			1,375	(1,375)
Capital outlay	20,000	36,045	18,997	17,048
	<u>148,800</u>	<u>164,845</u>	<u>161,034</u>	<u>3,811</u>
Excess (deficiency) of revenues over expenditures	16,045	-	21,011	21,011
Fund balances, beginning of year	<u>148,844</u>	<u>148,844</u>	<u>148,844</u>	<u>-</u>
Fund balances, end of year	<u>\$164,889</u>	<u>\$148,844</u>	<u>\$169,855</u>	<u>\$21,011</u>

FIRE PROTECTION DISTRICT NO 7 OF THE PARISH OF
ST MARY, STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fire Protection District No 7 (the District) of the Parish of St Mary, State of Louisiana, was created by Ordinance No 1008 of the St Mary Parish Council on May 27, 1987. Active operations of the District began on October 24, 2007. The District encompasses the area of the Parish known as Bayou Vista. The purpose of the District is to provide fire prevention, fire protection, medical assistance, and extrication rescue. The District's firefighters are volunteers of the Bayou Vista Volunteer Fire Department.

The financial statements of Fire Protection District No 7 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

The District has not presented Management's Discussion and Analysis (MD & A) that GASB has determined is necessary to supplement although not required to be part of, the basic financial statements.

A Reporting Entity

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

- a Financial benefit or burden
- b Appointment of a voting majority
- c Imposition of will
- d Fiscally dependent

Based upon the above criteria, the District is a component unit and integral part of the St Mary Parish Council (the primary government).

These financial statements include only the operations of the District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B Basic Financial Statements - Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities which report all activities of the District as a whole. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

C Basic Financial Statements - Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The following is a description of the funds utilized by the District.

Governmental Funds

The District considers all three of its governmental funds to be major funds.

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in other funds.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund

The Construction Fund, a capital projects fund, is used to account for financial resources to be used for the acquisition or construction of major facilities for the District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Statements

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities (whether current or noncurrent) are included on the statement of net assets and the statement of activities presents increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Fund Financial Statements

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities (the District uses a thirty-day period after year end).

E Revenues

The following is a summary of the District's recognition policies for its major revenue sources:

Ad valorem taxes (which are based on population and homesteads in the District) are recorded in the year taxes are assessed and collected.

Interest earnings are generally recorded when earned.

Substantially all other revenues are recorded when received.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

F Expenses/Expenditures

The government-wide financial statements recognize expenses under the accrual basis of accounting and records the related liability at the time the expense is incurred

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

G Budgets

Annual appropriated budgets are adopted for the General Fund. The District is not required and does not adopt budgets for its Debt Service Fund and Capital Projects Fund. For these reasons, the financial statements do not contain a budget to actual comparisons for these funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end. Budgets are amended when necessary with Board approval. In the financial statement comparison of the budget to actual amounts, both the original and final amended budget amounts are shown. The budget comparison is presented as a basic financial statement.

H Cash and Cash Equivalents

Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include bank deposits and/or certificates of deposit with original maturities of less than three months.

I Fixed Assets

The accounting treatment over property, plant, equipment (fixed assets) depends on whether they are reported in the government-wide or fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All purchased fixed assets are valued at historical cost. Costs include all auxiliary costs to place the assets in service including delivery fees, freight and capitalized interest costs. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets are reported at their historical cost or estimated fair market value less their accumulated depreciation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation is computed using the straight-line method based on the estimated useful life of the various assets. The following is a summary of estimated useful lives by classification of the fixed assets:

<u>Category</u>	<u>Years</u>
Equipment	3-10
Vehicles	5-15

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operation are accounted for as capital outlay expenditures of the governmental fund when payment is made.

J Long-term Debt

Government-wide Financial Statements

In the government-wide financial statements, all long-term debt is reported as a liability. The long-term debt of the District consists of bonds payable.

Fund Financial Statements

Long-term debt for governmental funds is not reported as liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

K Equity Classifications

Government-wide Statements

Equity is classified as net assets and displayed in the three components:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- a) Invested in capital assets, net of related debt - Consists of capital assets and deposits set aside to purchase capital assets net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets
- b) Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation
- c) Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt"

Fund Financial Statements

Governmental fund equity may be classified by five categories nonspendable, restricted, committed, assigned, and unassigned. At present, the District only requires reporting of restricted and unassigned. Restricted represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Unassigned represents those portions of fund equity that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the general fund.

L. Interfund receivables and payable

Temporary reallocations between funds of the District are classified as due to and due from. For the purpose of the Statement of Net Assets, all due to and due from amounts between individual governmental funds have been eliminated.

NOTE 2 - CASH AND CASH EQUIVALENTS

The District does not have a formal investment policy related to interest rate risk (the risk of an investment decreasing in value due to increasing interest rates).

In addition the District does not have a formal investment policy related to credit risk (including concentrations of credit). However the District does follow state law as to limitations on types of deposits and investments as described below.

The District does not invest in any investments subject to foreign currency risk.

Under state law the District may deposit its funds with certain state and federally chartered financial institutions. These deposits are required to be insured or collateralized by the financial institutions.

NOTE 2 - CASH AND CASH EQUIVALENTS (continued)

At year end, the carrying amount and the bank balance of the District's cash was \$193,567. All of the bank balance was covered by federal depository insurance.

NOTE 3 - TAXES

The District's property tax is levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31 and taxes are considered delinquent January 1. Notices regarding seizures are sent out in April with the seizure date being May 1. The taxes are collected on behalf of the District by the Sheriff and then remitted to the District. The District actually receives most of the taxes in January.

The District receives 8 mils of property tax, 5 mils is distributed to the General Fund and dedicated to operations and maintenance and 3 mils is distributed to the Debt Services Fund and dedicated to debt retirement.

NOTE 4 - FIXED ASSETS

Capital assets activity for the year ended September 30, 2011 is as follows:

	Balance September 30, <u>2010</u>	<u>Additions</u>	Balance September 30, <u>2011</u>
Capital assets			
Equipment	\$ 40,679	\$ 84,738	\$ 125,417
Vehicles	<u>605,427</u>	<u>-</u>	<u>605,427</u>
Total capital assets at historical cost	<u>646,106</u>	<u>84,738</u>	<u>730,844</u>
Less accumulated depreciation for			
Equipment	(6,895)	(9,971)	(16,866)
Vehicles	<u>(84,161)</u>	<u>(44,290)</u>	<u>(128,451)</u>
	-	-	-
Total accumulated depreciation	<u>(91,056)</u>	<u>(54,261)</u>	<u>(145,317)</u>
Total capital assets, net	<u>\$ 555,050</u>	<u>\$ 30,477</u>	<u>\$ 585,527</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the period ended September 30, 2011

Balance at September 30, 2010	\$680,000
Reductions	<u>(40,000)</u>
Balance at September 30, 2011	<u>\$640,000</u>

Obligations payable at September 30, 2011, are as follows

General Obligation Bonds

\$750,000 of General Obligation Bonds were issued on June 1, 2008, for the purpose of acquiring, constructing and improving fire protection facilities and equipment, including purchasing and equipping a ladder truck. The bonds bear interest at rates of 3.95 percent and are payable through the year 2023. The bonds are to be retired with ad valorem taxes by the Debt Service Fund

\$640,000

The following is an approximation of future debt requirements at September 30, 2011

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 40,000	\$ 24,490	\$ 64,490
2013	40,000	22,910	62,910
2014	45,000	21,231	66,231
2015	45,000	19,454	64,454
2016	50,000	17,578	67,578
2017-2021	285,000	56,189	341,189
2022-2023	<u>135,000</u>	<u>5,431</u>	<u>140,431</u>
	<u>\$ 640,000</u>	<u>\$167,283</u>	<u>\$ 807,283</u>

The District is subject to certain affirmative and negative covenants pursuant to its bond and debt agreements. The covenants include but are not limited to

- 1 Establishment and funding of a debt service fund
- 2 Restriction as to additional debt issuance

NOTE 5 - LONG-TERM DEBT (continued)

In the first year ad valorem taxes were authorized for both the District's operations and debt payments, the portion of ad valorem taxes applicable to debt services payments was not properly authorized nor collected. Because of this, the first year's payments for principal and interest were made by the Debt Service Fund with monies advanced to it by the Capital Projects Fund from a portion of the original debt proceeds.

The District plans to have the Debt Service Fund repay this advance from the Capital Projects Fund with ad valorem taxes received by the Debt Service Fund in future years. See Notes 6 and 7 for further information.

NOTE 6 - DUE TO/FROM

Due to/from other funds at September 30, 2011 consists of the following:

<u>Payable To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 40,366
Capital Projects Fund	Debt Service Fund	9,033

The \$40,366 payable to the General Fund from the Capital Projects Fund is for equipment that was purchased by the General Fund for the Capital Projects Fund. The \$9,033 payable to the Capital Projects Fund from the Debt Service Fund is for funds that were provided by the Capital Projects Fund to the Debt Service Fund for the initial principal and interest payments on the \$750,000 of General Obligation Bonds that were issued in June 2008.

NOTE 7 - COMMITMENTS

The District has available approximately \$16,000 of funds for purchase of additional capital assets.

NOTE 8 - RELATED PARTIES

The District and the Bayou Vista Volunteer Fire Department jointly provide fire protection for the area. The Bayou Vista Volunteer Fire Department provides the use of the fire station, fire trucks, certain fire equipment, and services of volunteer firefighters. No amounts are reported for these items or services in these financial statements.

NOTE 9 - RETIREMENT PLAN

The only employee of the Fire Protection District No. 7 of St. Mary Parish is a member of the Louisiana Firefighters' Retirement System, a multiple-employer (cost-sharing) public employee retirement system. The System provides retirement, disability, and death benefits to plan members and beneficiaries. The System issues an annual publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Capitol Station, Baton Rouge, Louisiana, 70804.

Plan members are required by the State Legislature to contribute 8% of their annual salary to the plan and Fire Protection District No. 7 of St. Mary Parish was required to contribute 21.5% of their employee's salary from October 1, 2010 to June 30, 2011 and 23.25% from July 1, 2011 to September 30, 2011. The District's annual contributions for the years ended September 30, 2011, 2010, and 2009 were \$11,873, \$9,681, and \$3,585 respectively.

The District does not maintain any other post-employment benefit plans.

NOTE 10 - COMPENSATION OF BOARD MEMBERS

Board members did not receive any per diems for the period ended September 30, 2011.

NOTE 11 - CONCENTRATIONS

The Ad valorem taxes accounted for approximately 98% of the District's revenues.

NOTE 12 - SUBSEQUENT EVENTS

The District plans to issue \$1,250,000 in bond indebtedness for the purpose of building additions and acquisition of fire trucks and firefighting equipment.

INFORMATION REQUIRED BY THE LOUISIANA
GOVERNMENTAL AUDIT GUIDE



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Fire Protection District No 7
of the Parish of St Mary,
State of Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Fire Protection District No 7 of the Parish of St Mary, State of Louisiana (District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended September 30, 2011 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with R S 38 2211-2296 (the public bid law) or R S 39 1551-39 1775 (the state procurement code), whichever is applicable.

There were no expenditures made for public works exceeding \$100,000. The District made one purchase of supplies that exceeded the public bid law requirements and it was made in accordance with the 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 R S 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 the employee included in the listing obtained from management in agreed-upon procedure (3) was also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The employees included on the list of employees provided by management [agreed-upon procedure (3)] did not appear 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 us with a copy of the original budget and one amendment.

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 September 22, 2010 which indicated that the budget had been adopted by the District. We traced the adoption of the amended budget to the minutes of a meeting held on July 20, 2011, which indicated that the budget had been amended by the District.

7 Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted revenues by 5% or more and actual expenditures did not exceed budget amounts by 5% or more.

Accounting and Reporting

8 Randomly select 6 disbursements made during the period under examination and

(a) trace payments to supporting documentation as to proper amount and payee,

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee

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

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

(c) determine whether payments received approval from proper authorities

Inspection of documentation supporting all of the six selected disbursements indicated approvals from the chairman of the Board of Commissioners. In addition, all of the disbursements were traced to the district's minute book where they were approved by the full commission

Meetings

9 Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R S 42 11 through 42 28 (the open meetings law)

Once a year the District is required to advertise the place, date, and time of its meeting. We observed the advertisement for the year in its official journal. Twenty-four hours prior to the District's meetings, they are required to post an agenda for the meeting at its operating location

We observed the advertisement of the meeting schedule in the official journal and found it was properly published and we inquired of management and obtained their written representation that agendas were properly posted at the District's office for each meeting. According to replies to this inquiry and written representation all agendas were properly posted. In addition, we attended two meetings during the year on April 20th and September 7th and found agendas were posted for these meetings

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 that may constitute bonuses, advance, or gifts

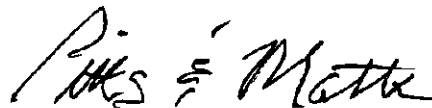
A reading of the minutes of the District for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

The District's prior year review report and agreed upon procedures report did not include any comments or unresolved matters

We were not engaged to perform, 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 District 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. Under Louisiana Revised Statute 24:513, this report may be distributed by the Legislative Auditor as a public document.



CERTIFIED PUBLIC ACCOUNTANTS

February 6, 2012

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

1-24-2012 (Date Transmitted)

Pitts and Matte, CPAs
1316 Federal Ave.
PO Box 2367
Morgan City La 70381 (Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24 513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations 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 1-24-2012 completion/representations)

Public Bid Law

It is true that we have complied with the public bid law, R S Title 38 2211-2296, and, where applicable, the regulations of the Division of Administration and the 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 R S 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 R S 42 1119
Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R S 39 1301-16), R S 39 33, or the budget requirements of R S 39 1331-1342, as applicable
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 R S 44 1, 44 7, 44 31, and 44 36
Yes No

We have filed our annual financial statements in accordance with R S 24 514, and 33 463 where applicable
Yes No

We have had our financial statements reviewed in accordance with R S 24 513
Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R S 42 1 through 42 13

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 R S 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, R S 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 that may occur subsequent to the issuance of your report

Darlene G. Perkins Secretary Darlene G. Perkins
_Date

Darlene G. Perkins Treasurer Darlene G. Perkins
_Date

Claude R. Robier Jr. President Claude R. Robier Jr.
Date