

9475

RECEIVED  
LEGISLATIVE AUDITOR

04 APR 29 PM 12:40

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

THIBODAUX, LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS

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 5.12.04

## TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Compilation Report		1
Government-wide Financial Statements:		
Statement of Net Assets	A	2
Statement of Activities	B	3
Fund Financial Statements		
Combined Balance Sheet	C	5
Reconciliation of Government Funds Balance Sheet to the Statement of Net Assets	D	6
Statement of Revenues, Expenditures, and Changes in Fund Balance	E	7
Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	8
Notes to Financial Statements		9 - 18
Supplemental Information:		
Required Supplemental Information Budgetary Comparison Schedule - General Fund		20
Independent Accountant's Report on Applying Agreed-Upon Procedures		22 - 24
Letter of findings		25
Louisiana Attestation Questionnaire		26 - 27

# ***Ann T. Hebert***

Certified Public Accountant  
901 Ridgefield Road  
Thibodaux, Louisiana

(985) 446-0994

To the Board  
Lafourche Parish Fire Protection District No. 4  
Thibodaux, Louisiana

I have compiled the accompanying general purpose financial statements of Lafourche Parish Fire Protection District No. 4, a component unit of the Lafourche Parish Council, 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 of the Lafourche Parish Fire Protection District No. 4. I have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

I am independent with respect to Lafourche Parish Fire Protection District No. 4.

As discussed in Note 1, 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 Government Audit Guide and the provisions of state law, I have issued a report, dated March 6, 2004, on the results of our agreed-upon procedures.

Respectfully submitted,



Ann T. Hebert  
Certified Public Accountant

March 6, 2004

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4  
STATEMENT OF NET ASSETS

December 31, 2003

Statement A

ASSETS

Cash and cash equivalents	\$ 16,188
Receivable	35,920
Capital assets - net of accumulated depreciation	<u>259,212</u>
Total Assets	<u>\$ 311,320</u>

LIABILITIES

Payables	\$ 10,117
Accrued interest	523
Long-term liabilities	
Due within one year	9,000
Due after one year	<u>29,000</u>
Total liabilities	<u>\$ 48,640</u>

NET ASSETS

Invested in capital assets, net of related debt	\$ 221,212
Unreserved net assets:	
General fund	<u>41,468</u>
Total net assets	<u>\$ 262,680</u>

See accountant's compilation report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

Statement of Activities  
For the Year Ended December 31, 2003

Statement B

	<u>PROGRAM REVENUES</u>		
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>
			<u>TOTAL</u>
<b>EXPENSES:</b>			
Public safety - fire protection:			
Maintenance	\$ 4,916		\$ 4,916
Legal and professional	1,400		1,400
Cooperative agreement	12,657		12,657
Interest on long-term debt	2,234		2,234
Depreciation	5,484		5,484
Other	25		25
Total governmental activities	<u>\$ 26,716</u>		<u>\$ 26,716</u>
		<b>GENERAL REVENUES:</b>	
		Ad valorem taxes	\$ 38,383
		Intergovernmental revenues:	
		State fire insurance rebate	7,657
		Interest income	18
		Total general revenues	<u>46,058</u>
		Changes in net assets	19,342
		Net assets:	
		Beginning of the year	243,338
		End of the year	<u>\$ 262,680</u>

See accountant's compilation report and accompanying notes.

*FUND FINANCIAL STATEMENTS*

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

COMBINED BALANCE SHEET -  
GOVERNMENTAL FUNDS  
December 31, 2003

Statement C

	Governmental Fund Types		Total
	General	Debt Service	(Memorandum Only) December 31, 2003
<b>ASSETS</b>			
Cash	\$ 11,615	\$ 4,573	\$ 16,188
Ad valorem tax receivable	35,920	-	35,920
<b>Total assets</b>	<b>\$ 47,535</b>	<b>\$ 4,573</b>	<b>\$ 52,108</b>
<b>FUND EQUITY</b>			
Liabilities:			
Payables	\$ 10,117	\$ -	\$ 10,117
Accrued Interest	-	523	523
<b>Total Liabilities</b>	<b>10,117</b>	<b>523</b>	<b>10,640</b>
Fund balance -			
Unreserved			
Designated	6,258	4,050	10,308
Undesignated	31,160	-	31,160
<b>Total fund equity</b>	<b>37,418</b>	<b>4,050</b>	<b>41,468</b>
<b>Total liabilities and fund equity</b>	<b>\$ 47,535</b>	<b>\$ 4,573</b>	<b>\$ 52,108</b>

See accountant's compilation report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4  
 RECONCILIATION OF THE GOVERNMENT FUNDS BALANCE SHEET  
 TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

December 31, 2003

Statement D

Total fund balances - governmental funds (Statement C)	\$ 41,468
--	-----------

The purchase of capital assets are reported as expenditures as they are incurred in the governmental funds. The Statement of Net Assets reports capital assets as an asset to the District. These capital assets are depreciated over their estimated useful lives in the Statement of Activities and are not reported in the governmental funds.

Cost of capital assets	\$ 286,813	
Less: Accumulated depreciation	<u>(27,601)</u>	259,212

Long-term liabilities that are not due and payable in the current period are not reported as a fund liability. All liabilities - both current and long term - are reported in the Statement of Net Assets.

Balances at December 31, 2003 are:

Series 1998 bond payable	<u>(38,000)</u>
--------------------------	-----------------

Net Assets (Statement A)	<u>\$ 262,680</u>
--------------------------	-------------------

See accountant's compilation report and accompanying notes.



LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUNDS

For the year ended December 31, 2003

Statement E

	General Fund	Debt Service Fund	Total
<b>Revenues:</b>			
Taxes - ad valorem	\$ 38,383	\$ -	\$ 38,383
Insurance rebate	7,657	-	7,657
Interest Income	18	-	18
<b>Total revenue</b>	<u>46,058</u>	<u>-</u>	<u>46,058</u>
<b>Expenditures:</b>			
Support - Thibodaux Volunteer Fire Department	12,657	-	12,657
Legal and accounting	1,400	-	1,400
Maintenance	4,916	-	4,916
Other	-	25	25
Capital expenditures	54,840	-	54,840
Interest	-	2,234	2,234
Principal	-	8,000	8,000
<b>Total expenditures</b>	<u>73,813</u>	<u>10,259</u>	<u>84,072</u>
<b>Excess (deficit) revenues over expenditures</b>	<u>(27,755)</u>	<u>(10,259)</u>	<u>(38,014)</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	-	10,600	10,600
Operating transfers out	(10,600)	-	(10,600)
<b>Total other financing sources (uses)</b>	<u>(10,600)</u>	<u>10,600</u>	<u>-</u>
<b>Excess (deficit) revenues and other sources over expenditures and other uses</b>	<u>(38,355)</u>	<u>341</u>	<u>(38,014)</u>
Fund balance, beginning	<u>75,773</u>	<u>3,709</u>	<u>79,482</u>
Fund balance, ending	<u>\$ 37,418</u>	<u>\$ 4,050</u>	<u>\$ 41,468</u>

See accountant's compilation report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2003

Statement F

Net change in fund balances - total governmental funds (Statement E)	\$ (38,014)
Amounts reported for governmental activities in the statement of activities (Statement B) are different as follows:	
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over the estimated useful lives as depreciation expense. This is the amount of capital outlay less depreciation during the year.	49,356
Bond proceeds provide current financial resources to government funds, but issuing debt increased long-term liabilities in the statement of net assets. Repayment of bond principal is a expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds.	<u>8,000</u>
Change in net assets of governmental activities (Statement B)	<u>\$ 19,342</u>

See accountant's compilation report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In June, 1999, the GASB unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. One of the more significant changes in Statement No. 34 include for the first time a Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all of the District's activities. 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. However, other changes are reflected in the accompanying basic financial statements (including notes to financial statements). The District implemented the general provisions of Statement No. 34 for the year ended December 31, 2002.

The accounting and reporting policies of the Lafourche Parish Fire Protection District No. 4 (the District) conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies:

a. REPORTING ENTITY:

The District is a component unit of the Lafourche Parish Council.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b. GOVERNMENT-WIDE ACCOUNTING

In accordance with Government Accounting Standards Board Statement No. 34, the District has presented a Statement of Net Assets and Statement of Activities for the district as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-Wide Accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity. The Statement of Net Assets and Statement of Activities are reported on the accrual basis of accounting.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

b. GOVERNMENT-WIDE ACCOUNTING - Continued

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the Statement of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances.

Application of FASB Statements and Interpretations.

Reporting on governmental-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Assets used in operations with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, leasehold improvements, and buildings are depreciated over their estimated useful lives. Depreciation is not calculated on land, land improvements or construction in progress. Accumulated depreciation is recorded at net of depreciable assets in the Statement of Net Assets.

Program Revenues

The Statement of Activities present two categories of program revenues - (1) charges for services and (2) operating grants and contributions.

Charges for services - are revenues from exchanges or exchange like transactions with external parties that purchase, use or directly benefit from the program's goods, services, or privileges. These revenues include fees charged for specific services, licenses and permits, and operating special assessment, and include payments from exchange transactions with other governments.

Operating grants and contributions - are resources that are restricted for operating purposes of a program. They include grants and contributions with restriction that permit the resources to be used for a program operating of capital needs at the recipient government's discretion. If multipurpose contributions and grants that provide financing for more than on program are specifically identifies, they are included as program revenues.

c. FUND ACCOUNTING

The district uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity using the modified accrual method to report revenues and expenditures with a self-balancing set of accounts.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

c. FUND ACCOUNTING - continued

Governmental Funds

Funds of the District are classified as governmental funds. Governmental funds account for district's general activities, including the collection and disbursement of specific or legally restricted monies, and the construction of two additional fire stations. Governmental Funds of the district includes:

General Fund - The General fund is the general operating fund of the district. It is used to account for all financial resources except those that are required to be accounted for in another fund.

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

d. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

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.

All Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes and the insurance rebate are considered "measurable" at the time of availability since the timing of their collection coincides with the timing of the expenditures to be paid. Interest income on investments is recorded as revenue when the investments have matured and the income is available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

d. **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued**

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurable focus. The governmental funds are accounted for using a current financial resources measurement focus and a modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when they are measurable and available. Measurable means the amount of the transaction can be determined and available means collectible when the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt which is recognized when due. Compensated absences and claims and judgments are reported in the governmental fund only if the claims are due and payable.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures.

e. **BASIS OF ACCOUNTING**

Revenues and deferred revenues

Ad valorem taxes are recorded on the modified accrual basis and, therefore, recorded when they are both measurable and available. The calendar for the 2003 ad valorem tax roll was as follows:

	Service charges and <u>Ad valorem taxes</u>
Levy date	December 31, 2003
Due date	December 31, 2003
Lien date	January 1, 2004

State revenue sharing revenues and the 2% fire insurance tax protection rebate are recorded when the district is entitled to the funds.

Expenditures

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the District.



LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

e. BASIS OF ACCOUNTING - Continued

Other financing Sources (Uses)

Proceeds from the sale of fixed assets and debt acquired for the construction and purchase of fixed assets (capital project fund) are accounted for as other financing sources and are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.

f. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

g. BUDGET PRACTICES

The District's procedures in establishing the budgetary data for the financial statements required by the Louisiana Revised Statutes 39:1303 are as follows:

- A proposed budget is submitted by the Chief Executive Officer to the Board no later than fifteen days prior to the beginning of each year.
- After completion of all action necessary to finalize and implement the budget, the budget is adopted by the Board and recorded in the minutes of the District. The board, as allowed by state law, does not obtain public participation in the budget process.
- Budget amendments require the approval of the Board.
- All budgetary appropriations lapse at the end of each year.
- A budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board.

h. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits that mature within 90 days after year end and

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

h. CASH AND CASH EQUIVALENTS - continued

other investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or under the laws of the United States. Under state law, the districts may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

i. Accounts Receivable

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

j. CAPITAL ASSETS

Capital assets are recorded at historical cost and depreciated over their estimated useful lives.

Estimated useful live is management's estimate of how long the asset is estimated to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Building	40	years
Furniture	5 - 7	years
Equipment	5 - 10	years
Vehicles	5	years

k. VACATION AND SICK LEAVE

The District has no full-time employees. There is no accumulated unpaid vacation at December 31, 2003.

The District does not have a sick leave policy.



LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I. Fund Equity

Government-wide Statement:

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

- a. Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings 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."

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. As of December 31, 2003 and for the year then ended, the District did not have or receive restricted net assets.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

NOTE 2 - DEPOSITS

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department of agent but not in the District's name and deposits which are uninsured or uncollateralized.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

NOTE 2 - DEPOSITS - continued

The year end balances of deposits are as follows:

	Bank Balances Category 1	Book Balance
Cash	\$ 16,188	\$ 16,188

NOTE 3 - PROPERTY TAXES

Property taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission as percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for collections during the year ended December 31, 2003 was 8.45 mills on property within Fire Protection District No. 4 for the purpose of fire protection within the District and payment of respective debt.

NOTE 4 - RECEIVABLES

Receivables as of December 31, 2003 are as follows:

Due from Sheriff (Collections during December, 2003 not yet remitted)	\$ 35,920
---	-----------

NOTE 5 - GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 2003	Additions (Deletions) 2003	Balance December 31, 2003
Land	\$ 21,750	\$ -	\$ 21,750
Buildings	210,223	54,840	265,063
Total	\$ 231,973	\$ 54,840	\$ 286,813
Accumulated Depreciation	\$ 22,118	\$ 5,484	\$ 27,602

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

NOTE 6 - COMPENSATION OF BOARD MEMBERS

The District did not pay per diem to any of its Board Members during the year ended December 31, 2003.

NOTE 7 - CHANGES IN LONG-TERM DEBT

Certificates of Indebtedness payable at December 31, 2003, comprised of the following individual issue:

Certificates of Indebtedness, Series 1998

\$75,000 Certificates of Indebtedness due in annual installments of \$7,000 to \$10,000 through March 1, 2007; interest rate of 5.463 percent. (This issue is secured as to payment by ad valorem taxes assessed on all property and improvements in the Lafourche Parish Fire Protection District No. 4.) Debt was issued to provide money to build the Fire Station.

\$ 38,000

The annual requirements to amortize all debt outstanding as of December 31, 2003, including interest payments of \$4,260, are as follows (in thousands of dollars).

<u>Year Ending December 31</u>	<u>Certificates of Indebtedness</u>
2004	\$ 11
2005	10
2006	11
2007	10
	<u>\$ 42</u>

NOTE 8 - FLOW OF FUNDS - RESTRICTIONS ON USE

(A) General Fund -

General Fund balance designated for year 2003 payments of principal and interest on District debt.

(B) Debt Service Fund -

Funds are designated for future payments of principal and interest on District debt.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

NOTE 9 - COOPERATIVE AGREEMENT

On May 19, 1999, The District contracted with the Thibodaux Volunteer Fire Department. The contract is for a period of ten years. Under the terms of the cooperative agreement the Thibodaux Volunteer Fire Department pays for the operating and maintenance expenses of the fire fighting equipment and building housing the fire trucks and equipment of the District.

As per the cooperative agreement, millage amounts and fire insurance rebates collected by the District in excess of the required indebtedness payments and agreed upon expenditures are to be contributed to the Thibodaux Volunteer Fire Department. During the year ended December 31, 2003, \$12,657 was contributed to the Thibodaux Volunteer Fire Department.

OTHER SUPPLEMENTAL INFORMATION AND REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS

The following page contains a budget comparison schedule.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 4

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance- with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes - ad valorem	\$ 38,000	\$ 35,446	\$ 38,383	\$ 2,937
Insurance rebate	6,000	-	7,657	7,657
Interest income			18	18
<b>Total revenue</b>	<u>44,000</u>	<u>35,446</u>	<u>46,058</u>	<u>10,612</u>
<b>Expenditures:</b>				
Support -				
Thibodaux Volunteer Fire Department	6,900	12,657	12,657	-
Legal and accounting	950	1,400	1,400	-
Capital expenditures	25,150	53,914	54,840	(926)
Maintenance	1,000	650	4,916	(4,266)
<b>Total expenditures</b>	<u>34,000</u>	<u>68,621</u>	<u>73,813</u>	<u>(5,192)</u>
<b>Excess (deficit) revenues over expenditures</b>	<u>10,000</u>	<u>(33,175)</u>	<u>(27,755)</u>	<u>5,420</u>
<b>Other financing sources (uses):</b>				
Operating transfers out	(10,000)	-	(10,600)	(10,600)
<b>Total other financing sources (uses)</b>	<u>(10,000)</u>	<u>-</u>	<u>(10,600)</u>	<u>(10,600)</u>
<b>Excess (deficit) revenues and other sources over expenditures and other uses</b>	<u>-</u>	<u>(33,175)</u>	<u>(38,355)</u>	<u>(5,180)</u>
Fund balance, beginning	75,773	75,773	75,773	-
<b>Fund balance, ending</b>	<u>\$ 75,773</u>	<u>\$ 42,598</u>	<u>\$ 37,418</u>	<u>\$ (5,180)</u>

See accountant's compilation report and accompanying notes.

*OTHER REPORTS*

# **Ann T. Hebert**

Certified Public Accountant  
901 Ridgefield Road  
Thibodaux, Louisiana

(985) 446-0994

## **Independent Accountant's Report on Applying Agreed-Upon Procedures**

To the Board  
Lafourche Parish Fire Protection District No. 4  
Thibodaux, LA 70301

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the Board of the Lafourche Parish Fire Protection District No. 4 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating the Board's assertions about the Lafourche Parish Fire Protection District No. 4's compliance with certain laws and regulations during the twelve months 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 \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-R.S. 38:2211.2251 (the public bid law).

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

### **Code of Ethics for Public Officials and Public Employees**

2. This procedure was not applicable for the twelve months ended December 31, 2003 since Lafourche Parish fire Protection District No. 4 had no employees and the board members are appointed, not elected as public servants.

### **Budgeting**

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

Management provided me with a copy of the original budget and its amendment.

4. Trace the budget adoption to the minute book.



I traced the adoption of the original budget to the minutes of a meeting held on December 16, 2002 which indicated that the budget has been accepted by the Board of the Lafourche Parish Fire Protection District No. 4 by unanimous consent. The amended budget was approved December 23, 2003.

5. 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.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures and determined that the District was within the 5% thresholds for revenues, but was under budgeted for expenditures by 7.57%.

#### Accounting and Reporting

6. 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 all twenty-one 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 that all disbursements indicated approvals.

#### Meetings

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

The Lafourche Parish Fire Protection District No. 4 is required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Although management has asserted that such documents were properly posted, I could find no evidence supporting such such assertion other than an unmarked copy of the notices and agendas.

#### Debt

8. 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 inspected copies of all bank deposit slips for the period under examination and noted no indebtedness.

#### Advances and Bonuses

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

This procedure was not applicable for the twelve months ended December 31, 2003 since the Lafourche Parish fire Protection District No. 4 has no employees.

My prior year report, dated February 26, 2003, included no comments or unresolved matters.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of any 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 the Board of the Lafourche Parish Fire Protection District No. 4 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 this purposes. However, this report is a matter of public record and its distribution is not limited.



Ann T. Hebert  
Certified Public Accountant

March 6, 2004

# ***Ann T. Hebert***

Certified Public Accountant  
901 Ridgefield Road  
Thibodaux, Louisiana

(985) 446-0994

## LETTER OF FINDINGS

For the Current Year Ended December 31, 2003

March 6, 2004

### Summary of current year findings

The findings from the Independent Accountant's Letter of Findings for the Year Ending December 31, 2003 are as follows:

#### Budget

2003 -1 Finding

As required by the Louisiana Revised Statutes 39:1303, the Board is required to amend the budget when revenues or expenditures are more than five percent under (in regards to revenues) or five percent over (in regards to expenditures) in comparison to the budget.

Expenditures were 7.57% over budgeted amounts.

The Board will compare actual revenues and expenditures periodically throughout the year and make amendments to the budget as required.

No prior year findings.

Lafourche Parish Fire Protection District #4

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

March 8, 2004 (Date Transmitted)

Ann T. Hebert  
Certified Public Accountant  
901 Ridgfield Road  
Thibodaux, LA 70301 (Auditors)

In connection with your compilation 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 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). December 31, 2003.

**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 25 Mar 04 Date

 Treasurer 20 Mar 04 Date

 President \_\_\_\_\_ Date