

weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the use of management, the Police Jury of the Parish of Pointe Coupee, New Roads, Louisiana (oversight entity), and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

January 12, 1998

George F. Delaune

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Mr. Eugene Serio, Chairman
and the Members of the Board of Commissioners
Fire Protection District No. 2 of the
Parish of Pointe Coupee
Morganza, Louisiana

I have audited the general purpose financial statements of the FIRE PROTECTION DISTRICT NO. 2 OF THE PARISH OF POINTE COUPEE, LOUISIANA (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 1997, and have issued my report thereon dated January 12, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material

SCHEDULE 2
 FIRE PROTECTION DISTRICT NO. 2
 OF THE PARISH OF POINTE COUPEE
 MORGANZA, LOUISIANA
 GENERAL FUND REVENUES, OTHER SOURCES, EXPENDITURES, AND OTHER USES
 LAST TEN YEARS
 (UNAUDITED)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Revenues and Other Sources:										
Taxes	\$29,324	\$29,907	\$26,052	\$29,037	\$28,355	\$29,951	\$29,259	\$28,285	\$28,146	\$28,697
Intergovernmental revenues	5,396	5,431	6,410	6,071	5,598	5,036	5,405	5,744	5,676	5,500
Miscellaneous revenues	6,751	5,881	5,145	3,495	1,894	1,512	1,683	5,176	2,680	3,213
Debt financing	55,098									
Total Revenues and Other Sources	96,569	41,219	37,607	38,603	35,847	36,499	36,347	39,205	36,502	37,410
Expenditures and Other Uses:										
General government	4,557	4,715	4,063	4,047	3,927	2,892	2,634	2,563	2,607	2,600
Public safety	17,398	17,790	21,987	16,025	17,487	16,162	18,457	22,583	16,849	15,874
Capital outlays	114,281	4,428	4,812	11,234		15,733	8,748	13,781		
Debt service		13,594	13,594	13,594	13,594	13,354				
Total Expenditures and Other Uses	136,236	40,527	44,456	44,900	35,008	48,141	29,839	38,927	19,456	18,474
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(\$39,667)	\$692	(\$6,849)	(\$6,297)	\$839	(\$11,642)	\$6,508	\$278	\$17,046	\$18,936

SCHEUDLE 1
 FIRE PROTECTION DISTRICT NO. 2
 OF THE PARISH OF POINTE COUPEE
 MORGANZA, LOUISIANA
 TAXABLE PROPERTY VALUATIONS
 SINCE INCEPTION
 (UNAUDITED)

<u>Year</u>	<u>Mills Levied</u>	<u>Assessed Value</u>	<u>Homestead Exemption</u>	<u>Tax to be Paid by Owner</u>	<u>Tax to be Paid by State</u>	<u>Total Tax</u>
1982	3.00	\$9,844,498	\$1,572,051	\$24,817.60	\$4,716.26	\$29,533.86
1983	3.00	11,546,004	1,568,652	29,932.33	4,706.07	34,638.40
1984	3.00	9,048,974	1,600,534	22,345.62	4,801.69	27,147.31
1985	3.00	12,170,902	1,608,671	31,686.98	4,826.10	36,513.08
1986	4.01	9,524,387	1,626,432	31,671.14	6,523.09	38,194.23
1987	4.01	8,599,802	1,634,263	27,932.16	6,554.48	34,486.64
1988	4.01	8,780,793	1,504,641	29,177.38	6,034.31	35,211.69
1989	4.01	8,954,817	1,507,232	29,864.79	6,044.73	35,909.52
1990	4.01	7,964,444	1,487,812	25,971.29	5,966.85	31,938.14
1991	4.01	8,699,622	1,478,362	28,957.26	5,928.97	34,886.23
1992	3.56	9,730,755	1,508,185	29,272.50	5,369.31	34,641.81
1993	3.43	10,217,576	1,476,375	29,982.74	5,064.37	35,047.11
1994	3.43	10,041,022	1,510,806	29,259.07	5,182.49	34,441.56
1995	3.43	9,689,747	1,552,866	27,909.94	5,326.77	33,236.71
1996	3.33	10,109,490	1,666,851	28,114.72	5,551.01	33,665.73
1997	3.46	10,007,485	1,703,636	28,731.53	5,894.92	34,626.45

SUPPLEMENTAL INFORMATION

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FIRE PROTECTION DISTRICT NO. 2 OF THE
PARISH OF POINTE COUPEE
MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 - FEDERAL FINANCIAL ASSISTANCE

There are no active awards for the year ended December 31, 1997.

FIRE PROTECTION DISTRICT NO. 2 OF THE
PARISH OF POINTE COUPEE
MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	January 1, 1997	Additions	Deletions	December 31, 1997
Vehicles	\$158,390			\$158,390
Fire Fighting equipment/tools	40,717			40,717
Radios and paging equipment	45,474			45,474
Uniforms and protective gear	7,389			7,389
Office furniture and equipment	2,017			2,017
Fire hydrants	4,860			4,860
Buildings and improvements	11,556			11,556
Totals	<u>\$270,403</u>			<u>\$270,403</u>

NOTE 7 - PENSION PLAN AND RETIREMENT COMMITMENTS

The District has no employees; therefore, it has no pension plan or retirement commitments.

NOTE 8 - CONTINGENT LIABILITIES

There is no pending litigation against the District.

NOTE 9 - COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Mark Ramagos	\$0
Eric Gustin	0
Daryl Martin	0
Eugene Serio	0
Valery Joseph Landry	0
	<u>0</u>
	<u>\$0</u>

**FIRE PROTECTION DISTRICT NO. 2 OF THE
PARISH OF POINTE COUPEE
MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

parish and are subject to review and final certification by the Louisiana Tax District. The Assessor is required to reappraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Parish. By agreement, the Sheriff receives a commission of approximately 3.83%.

The millage rates are adopted in late October. The taxes are levied and notices are mailed out in mid November of the year. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date of December 31, the taxes bear interest at one and one-fourth percent (1.25%) per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are usually collected in November and December of the year. Any amounts not collected at December 31 are shown as accounts receivable.

For the year 1997, taxes of \$28,731.53 were levied on property with assessed valuations totaling \$10,007,485 at the rate of 3.46 mills for the purpose of maintaining and operating the District's fire protection facilities, for purchasing fire trucks and other fire fighting equipment and paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service and for the purpose of paying the cost of acquiring, improving, or constructing fire protection facilities of the Fire Protection District, constituting works of public improvement, title to which shall be in the public.

NOTE 5 - DUE FROM OTHER GOVERNMENTAL UNITS

The balance due from other governmental units for reimbursement of a parishwide emergency telephone service is as follows:

Fire Protection District No. 1 of the Parish of Pointe Coupee	\$96
Fire Protection District No. 1 of the Parish of Pointe Coupee	458
Fire Protection District No. 1 of the Parish of Pointe Coupee	258
Fire Protection District No. 1 of the Parish of Pointe Coupee	258
	<hr/>
	<u>\$1,070</u>

FIRE PROTECTION DISTRICT NO. 2 OF THE
PARISH OF POINTE COUPEE
MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - CASH

At December 31, 1997, the status of deposited funds and collateralized balances are as follows:

Balance per bank statements	\$73,051
Secured by Federal Deposit insurance	<u>73,051</u>
Unsecured and Uncollateralized	<u><u>\$0</u></u>

These 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. Since the balance of deposited funds do not exceed \$100,000 the pledge of securities is not required.

NOTE 4 - AD VALOREM TAXES

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to assessed at 10% of "use" value; and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the

FIRE PROTECTION DISTRICT NO. 2 OF THE
PARISH OF POINTE COUPEE
MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

Encumbrances

The District does not follow the encumbrance method of accounting.

Cash

Cash includes amounts in demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Bad Debts

The District uses the direct charge-off method whereby uncollectible amounts due from charges are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

Inventories

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

Fixed Assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

Compensated Absences

The District has no employees; therefore, it has no vacation or sick leave policies.

Fund Equity

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

FIRE PROTECTION DISTRICT NO. 2 OF THE
PARISH OF POINTE COUPEE
MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

focus. 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 modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Property tax revenues are recognized when they become available. Available means when due, or past due and receivable and collected generally within 60 days after year end. See Note 4 for the property tax calendar.

Miscellaneous revenue (except investment earnings) are recorded as revenue when cash is received because they generally are not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Federal and state grants and reimbursements are recorded when the District is entitled to the funds.

Substantially all other revenues are recorded when received by the District.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized when due in the General Fund.

Budgets

Proposed operating budgets for the fiscal years 1991 through 2000 (the term of the approved ad valorem tax millage), prepared on GAAP Basis, are approved by the Board of Commissioners and adopted in accordance with the Local Government Budget Law. The operating budget includes proposed expenditures and the means of financing them.

During the year, monthly budgetary comparison statements are used as management tools to control operations. When necessary the Board adopts budget amendments which are included in District minutes published in the official journal.

The District exercises budgetary control at the line item level. Unexpended appropriations lapse at the end year end and must be reappropriated in the next year's budget to be expended..

FIRE PROTECTION DISTRICT NO. 2 OF THE
PARISH OF POINTE COUPEE
MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

- a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Applying criteria #3, the District was determined to be a component unit of the Pointe Coupee Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Fund Accounting

The District uses funds and account groups 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 relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

General Fund – the general operating fund of the District and accounts for all financial resources.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement

FIRE PROTECTION DISTRICT NO. 2 OF THE
PARISH OF POINTE COUPEE
MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - INTRODUCTION

On July 14, 1981, the 4th Ward Fire Protection District of the Parish of Pointe Coupee, Louisiana was redesignated Fire Protection District No. 2 of the Parish of Pointe Coupee, Louisiana (the "District") by a resolution of the Pointe Coupee Parish Police Jury under authority of Louisiana Revised Statute 40 Section 1491. The District operates under a commission form of government and provides fire protection services to all the territory situated within the limits of Pointe Coupee Election District 3, as said Election District was constituted. The Board is composed of five commissioners: two appointed by the Pointe Coupee Parish Police Jury; two appointed by the Village of Morganza; and one appointed by the other four who acts as chairman. These five commissioners accept no compensation although per diem is allowed. The District has no employees. Labor is furnished through a intergovernmental service agreement with the local volunteer firefighters.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying general purpose financial statements of the Fire Protection District No. 2 of the Parish of Pointe Coupee, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Pointe Coupee Parish Police Jury is the financial reporting entity for Pointe Coupee Parish. The financial reporting entity consists of [a] the primary government (police jury), [b] organizations for which the primary government is financially accountable, and [c] other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Pointe Coupee Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
Capital Outlays - Fire fighting equipment and tools	5,000		5,000	
Total Capital Outlays	5,000		5,000	
Total Expenditures	30,607	18,474	12,133	19,456
Excess of Revenues Over Expenditures	5,215	18,936	13,721	17,046
Fund Balance - January 1	80,842	80,842		63,796
FUND BALANCE - DECEMBER 31	\$86,057	\$99,778	\$13,721	\$80,842

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 2
OF THE PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS) - GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1997**

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
Revenues:				
Taxes -				
Ad valorem	\$28,146	\$28,697	\$551	\$28,146
Total Taxes	28,146	28,697	551	28,146
Intergovernmental revenues -				
State fire insurance rebate	3,439	3,458	19	3,439
State revenue sharing	2,237	2,042	(195)	2,237
Total Intergovernmental Revenues	5,676	5,500	(176)	5,676
Miscellaneous revenues -				
Interest earned	2,000	3,213	1,213	2,680
Total Miscellaneous Revenues	2,000	3,213	1,213	2,680
Total Revenues	35,822	37,410	1,588	36,502
Expenditures:				
Current Operations -				
General Government -				
Professional fees	1,500	1,500		1,500
Tax collector fees	1,107	1,100	7	1,107
Total General Government	2,607	2,600	7	2,607
Public Safety -				
Vehicle maintenance	2,400	1,281	1,119	1,890
Radios/pagers maintenance	2,000	1,448	552	918
Fire equipment maintenance	2,000		2,000	
Protective gear		948	(948)	320
Building maintenance	1,000	548	452	1,329
Telephone	600	478	122	445
Utilities	2,000	1,918	82	1,734
Insurance	10,000	8,116	1,884	8,837
Supplies and small tools	2,000	735	1,265	1,131
Travel and training sessions		355	(355)	230
All others	1,000	47	953	15
Total Public Safety	23,000	15,874	7,126	16,849
Total Current Operations	25,607	18,474	7,133	19,456

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 2
OF THE PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>1997</u>	<u>1996</u>
Revenues:		
Taxes -		
Ad valorem	\$28,697	\$28,146
Total Taxes	<u>28,697</u>	<u>28,146</u>
Intergovernmental revenues -		
State fire insurance rebate	3,458	3,439
State revenue sharing	2,042	2,237
Total Intergovernmental Revenues	<u>5,500</u>	<u>5,676</u>
Miscellaneous revenues -		
Interest earned	3,213	2,680
Total Miscellaneous Revenues	<u>3,213</u>	<u>2,680</u>
Total Revenues	<u>37,410</u>	<u>36,502</u>
Expenditures:		
Current Operations -		
General Government -		
Professional fees	1,500	1,500
Tax collector fees	1,100	1,107
Total General Government	<u>2,600</u>	<u>2,607</u>
Public Safety -		
Vehicle maintenance	1,281	1,890
Radios/pagers maintenance	1,448	918
Protective gear	948	320
Building maintenance	548	1,329
Telephone	478	445
Utilities	1,918	1,734
Insurance	8,116	8,837
Supplies and small tools	735	1,131
Travel and training sessions	355	230
All others	47	15
Total Public Safety	<u>15,874</u>	<u>16,849</u>
Total Current Operations	<u>18,474</u>	<u>19,456</u>
Total Expenditures	<u>18,474</u>	<u>19,456</u>
Excess of Revenues Over Expenditures	18,936	17,046
Fund Balance - January 1	<u>80,842</u>	<u>63,796</u>
FUND BALANCE - DECEMBER 31	<u>\$99,778</u>	<u>\$80,842</u>

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 2
OF THE PARISH OF POINTE COUPEE, LOUISIANA
COMBINED BALANCE SHEET
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUPS
DECEMBER 31, 1997

	Govern- mental Fund Type	Account Group	Totals (Memorandum Only)	
	General Fund	General Fixed Assets	1997	1996
ASSETS				
Cash	\$73,051		\$73,051	\$56,192
Receivables -				
Ad valorem	28,731		28,731	27,636
State revenue sharing	692		692	
Due from other governmental units	1,069		1,069	1,069
Property, plant, and equipment		270,403	270,403	271,403
TOTAL ASSETS	\$103,543	\$270,403	\$373,946	\$355,300
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$423		\$423	\$213
Amount due retirement system	1,100		1,100	1,100
Total Liabilities	1,523		1,523	1,813
Fund Equity:				
Contributed capital - 4th Ward	2,242		2,242	2,242
Investment in general fixed assets -				
Pointe Coupee Parish Police Jury		11,000	11,000	11,000
Village of Morganza		5,275	5,275	5,275
4th Ward Fire Prevention District		58,729	58,729	58,729
General Fund Revenues		195,399	195,399	195,399
Fund balance -				
Unreserved - undesignated	99,778		99,778	80,842
Total Fund Equity	102,020	270,403	372,423	353,482
TOTAL LIABILITIES AND FUND EQUITY	\$103,543	\$270,403	\$373,946	\$355,300

The accompanying notes are an integral part of this statement.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of the District, taken as a whole. The statistical information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, I express no opinion on it.

George F. Delaune, CPA

January 12, 1998

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

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OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Mr. Eugene Serio, Chairman
and Members of the Board of Commissioners
Fire Protection District No. 2 of the
Parish of Pointe Coupee
Morganza, Louisiana

I have audited the accompanying general purpose financial statements of the FIRE PROTECTION DISTRICT NO. 2 OF THE PARISH OF POINTE COUPEE, LOUISIANA (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 1997 as listed in the Table of Contents. These general purpose financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and with provisions of Louisiana Revised Statute 24:513 and the provisions of the Louisiana Governmental Audit Guide, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the Guide require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated January 12, 1998, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

FIRE PROTECTION DISTRICT NO. 2 OF THE
PARISH OF POINTE COUPEE
MORGANZA, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 1997

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FIRE PROTECTION DISTRICT NO. 2 OF THE
PARISH OF POINTE COUPEE
MORGANZA, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 1997

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**FIRE PROTECTION DISTRICT NO. 2 OF THE
PARISH OF POINTE COUPEE
MORGANZA, LOUISIANA**

GOVERNING BOARD

**Eugene Serio, Chairman
Eric Gustin, Secretary
Valery Joseph Landry
Daryl Martin
Mark Ramagos**

MEETING DATE

1st and 3rd Tuesdays of the Month

**FIRE PROTECTION DISTRICT NO. 2 OF THE
PARISH OF POINTE COUPEE
MORGANZA, LOUISIANA**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1997**

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT
