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Report on  
The Financial Statements of  
FIRE PROTECTION DISTRICT NO. 3  
OF LAFOURCHE PARISH  
June 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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

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A PROFESSIONAL CORPORATION

P.O. Box 965

LAROSE, LA 70373

December 23, 1996

Board of Commissioners  
Lafourche Fire Protection District No. 3  
P. O. Box 2322  
Galliano, LA 70354

Dear Commissioners:

I wish to thank you and your employees for the cooperation given me during my engagement with your organization.

In planning and performing my audit of the financial statements of Lafourche Fire Protection District No. 3 for the year ended June 30, 1996, I considered the internal control structure in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. My assessment of the internal control structure was limited to obtaining an understanding of the internal control structure sufficient to plan my audit and did not include tests of control policies and procedures.

The district's internal control structure consists of policies and procedures established by management to provide reasonable, but not absolute, assurance that the financial data are recorded, processed, summarized, and reported consistent with the assertions embodied in the financial statements. In establishing those policies and procedures, management assesses their expected benefits and related costs. Because of the inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected.

Also, projection of any assessment of the internal control structure to future periods is subject to the risk that policies and procedures may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Board of Commissions  
Lafourche Fire Protection District No. 3  
P. O. Box 2322  
Galliano, LA 70354  
Page 2 of 2

The following is a list of conditions noted during my audit, along with my recommendations for improvements.

BANK RECONCILIATIONS

Observation:

It was noted during the audit that the operating bank account could not be reconciled for several months of the year being audited due to a problem with the computer bank reconciliation program.

Recommendation:

I recommend that the district should not allow a month to go by without having the previous month reconciled. If the district cannot get the program corrected it should consider reconciling the bank account manually.

This report is intended solely for the information and use of the board of commissioners, management and the legislative auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

If you have any questions or comments about my observations and recommendations, please call me. I will be happy to answer any questions.

Sincerely,



Aldon G. Wahl, Jr.

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P.O. BOX 965

LAROSE, LA 70373

Board of Commissioners  
Fire Protection District No. 3  
of Lafourche Parish

Independent Auditor's Report

I have audited the accompanying general purpose financial statements of FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH, component unit of the Lafourche Parish Council, as of and for the year ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH 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 Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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 FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 23, 1996 on our consideration of FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH internal control structure and a report dated December 23, 1996 on its compliance with laws and regulations.

Board of Commissioners  
Fire Protection District No. 3  
of Lafourche Parish

Independent Auditor's Report (continued)

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplementary 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 of the FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Aldon G. Wahl, Jr.  
Certified Public Accountant

December 23, 1996

FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1996

		Account Groups		
GENERAL FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTALS (MEMORANDUM) ONLY	
<u>ASSETS</u>				
Cash on hand and in banks	\$ 452,156	\$	\$	\$ 452,156
Accounts receivable:				
Ad valorem taxes	2,218			2,218
Insurance rebate	38,020			38,020
Land		107,019		107,019
Building, fixtures and equipment		4,076,629		4,076,629
Amount to be provided for compensated absences			20,605	20,605
<b>Total assets</b>	<b>\$ 492,394</b>	<b>\$</b>	<b>\$ 20,605</b>	<b>\$4,696,647</b>
 <u>LIABILITIES AND FUND EQUITY</u>				
Accounts payable	\$ 24,054	\$	\$	\$ 24,054
Other accrued liabilities	9,991			9,991
Compensated absences payable			20,605	20,605
Total liabilities	34,045		20,605	54,650
 Fund equity				
Investment in general fixed assets		4,183,648		4,183,648
Fund balance - unreserved, undesignated	458,349			458,349
Total fund equity	458,349	4,183,648		4,641,997
<b>Total liabilities and fund equity</b>	<b>\$492,394</b>	<b>\$ 4,183,648</b>	<b>\$ 20,605</b>	<b>\$4,696,647</b>

See accompanying notes to financial statements.

FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 For the year ended June 30, 1996

	<u>General Fund</u>
<u>REVENUES</u>	
Ad valorem taxes	\$ 714,950
Intergovernmental	93,827
Interest income	5,696
Miscellaneous	<u>1,333</u>
Total revenues	<u>815,806</u>
<u>EXPENDITURES</u>	
Public safety:	
Current:	
Salaries and related benefits	283,387
Professional Services	6,370
Collection expense	22,182
Insurance	141,724
Office supplies	5,892
Repairs and maintenance	58,813
Operating supplies	29,970
Telephone	11,803
Truck expense	36,369
Travel and schooling	14,734
Utilities	35,285
Uniforms	4,013
Radio expense	19,023
Fire equipment - expendable	22,794
Physicals	-
Fire stations	25,225
Hazardous materials	-
Miscellaneous	6,305
Capital outlay	<u>11,341</u>
Total expenditures	<u>735,230</u>
Excess (deficiency) of revenues over expenditures	80,576
Fund balances - July 1	<u>377,773</u>
Fund balances - June 30	<u>\$ 458,349</u>

See accompanying notes to financial statements.



FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP) AND ACTUAL - GENERAL FUND  
 For the year ended June 30, 1996

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Ad valorem taxes	\$714,950	\$737,714	\$ (22,764)
Intergovernmental	93,827	70,439	23,388
Interest income	5,696	5,091	605
Miscellaneous	<u>1,333</u>	<u>2,399</u>	<u>( 1,066)</u>
Total revenues	<u>815,806</u>	<u>815,643</u>	<u>163</u>
<u>EXPENDITURES</u>			
Public safety:			
Current:			
Salaries and related benefits	283,387	270,663	(12,724)
Professional services	6,370	5,550	( 820)
Collection expense	22,182	22,000	( 182)
Insurance	141,724	108,182	(33,542)
Office supplies	5,892	10,861	4,969
Repairs and maintenance	58,813	76,998	18,185
Operating supplies	29,970	19,512	(10,458)
Telephone	11,803	9,850	( 1,953)
Truck expense	36,369	42,941	6,572
Travel and schooling	14,734	15,750	1,016
Utilities	35,285	28,722	( 6,563)
Uniforms	4,013	5,890	1,877
Radio expense	19,023	31,521	12,498
Fire equipment - expendable	22,794	25,376	2,582
Physicals	-	2,000	2,000
Fire stations	25,225	24,000	( 1,225)
Hazardous materials	-	1,378	1,378
Miscellaneous	6,305	2,500	( 3,805)
Capital outlay	<u>11,341</u>	<u>101,949</u>	<u>90,608</u>
Total expenditures	<u>735,230</u>	<u>805,643</u>	<u>70,413</u>
Excess (deficiency) of revenues over expenditures	80,576	10,000	70,576
Fund balances - July 1	<u>377,773</u>	<u>365,000</u>	<u>12,773</u>
Fund balances - June 30	<u>\$458,349</u>	<u>\$375,000</u>	<u>\$ 83,349</u>

See accompanying notes to financial statements.

FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH  
NOTES TO FINANCIAL STATEMENTS

NOTE A - Summary of Significant Accounting Policies

BASIS OF PRESENTATION

The financial statements of the Fire Protection District No. 3 of Lafourche Parish have been prepared in conformity with generally accepted accounting principles as applied to government units. The Government Accounting Standards board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

REPORTING ENTITY

Government Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the reporting entity 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:

REPORTING ENTITY

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Parish 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 Parish.
2. Organizations for which the Parish does not appoint a voting majority but are fiscally dependent on the Parish.
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.

Because the Lafourche Parish Council appoints two of the four appointed members of the district's governing board and they in turn select a chairperson who is ratified by the Council and has the ability to impose its will on the Fire District, the Fire District was determined to be a component unit of Lafourche Parish. The accompanying financial statements present information only on the funds maintained by the Fire District and do not present information on Lafourche Parish, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH

NOTES TO FINANCIAL STATEMENTS

NOTE A - Summary of Significant Accounting Policies (continued)

FUND ACCOUNTING

The fire district's accounts are organized on the basis of funds and account groups, each of which is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The fire district has one fund, a general fund, which is described as follows:

General Fund

The General fund is the general operating fund of the fire district. It is used to account for all financial resources except those required to be accounted for in other funds. The fire district has no resources which are required to be accounted for in other funds.

FIXED ASSETS AND LONG-TERM DEBT

The fixed assets used in the governmental fund type operations of the fire district are accounted for in the general fixed assets account group, rather than in the governmental fund. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Long-term obligations expected to be financed from governmental funds, including compensated absences for accumulated unpaid annual leave benefits of General Fund employees, are accounted for in the general long-term debt account group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with measurement of financial position, not with results of operation.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

Governmental funds (i.e. General fund) are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. Insurance rebate, revenue sharing and Ad valorem tax revenue are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time.

FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH

NOTES TO FINANCIAL STATEMENTS

NOTE A - Summary of Significant Accounting Policies (continued)

BUDGET PRACTICES

The budget practices of the fire district are prescribed by the Louisiana Local Government Budget Act. The act requires the district to have the budget completed and available for public inspection no later than fifteen days prior to the beginning of each fiscal year.

The fire district prepares a budget for its fund. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

Amendments to the budget must be approved by the board.

Appropriations which are not expended lapse at year end.

ENCUMBRANCES

Encumbrance accounting is not utilized by the fire district.

CASH

Cash includes demand deposits in banks.

R.S. 39:1271 and 33:2955 authorize the fire district to invest in United States bonds, treasury notes, certificates or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the state of Louisiana, or any other federally insured investment, or in mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies, or any other investment allowed by R.S. 33:2955.

COMPENSATED ABSENCES

Full time employees accumulate annual leave at a rate of 3.08 hours per pay day for the first five years of employment and at a rate of 4.62 hours thereafter. Full-time employees accumulate sick leave at a rate of 2.5 hours per pay day. (Pay days are bi-weekly.) The maximum accumulation is 377 hours for supervisory personnel and 277 hours for all other personnel. Once the maximum is met the employee is paid one hours pay for every two hours over maximum. At June 30, 1996, there were no employees at or over the maximum. Both annual and sick leave vest.

The cost of leave privileges, computed in accordance with the above, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees are paid for accrued leave upon termination, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group. At June 30, 1996, the liability for unused leave was \$20,605, computed in accordance with GASB Codification Section C60.

FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH

NOTES TO FINANCIAL STATEMENTS

NOTE A - Summary of Significant Accounting Policies (continued)

TOTAL COLUMNS ON STATEMENTS

Total columns on the statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position and results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

DEPOSITS

Cash Equivalents

	<u>Cash</u>	<u>Certificates of Deposits</u>	<u>Other (Describe)</u>	<u>Total</u>
Carrying Amount on Balance Sheet	\$ 452,156	\$ -	\$ -	\$452,156
Bank Balances:				
a: Insured (FDIC) or collateralized with securities held by the entity or its agent <u>in the entity's name</u>	<u>484,892</u>	<u>-</u>	<u>-</u>	<u>484,892</u>
b: Collateralized with securities held by pledging financial institution's trust department or agent <u>in the entity's name</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
c: Uncollateralized, including any securities held for the entity but <u>not in the entity's name</u>				<u>-</u>
TOTAL Bank Balances	<u>\$ 484,892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$484,892</u>

There were no uncollateralized securities fitting the description in (c) above during the year.

INVESTMENTS

The district had no investments at any time during the year ended June 30, 1996.

REVENUE RECOGNITION - PROPERTY TAXES

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Ad valorem taxes (which are based on population and homesteads in the parish) are recorded in the year the taxes are received. Substantially all taxes that will be collected for the year are received before June 30, therefore, if taxes were recorded when assessed the amount recorded would not be materially different from the amount in the financial statements.

FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH  
NOTES TO FINANCIAL STATEMENTS

NOTE B - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets:

	<u>Land</u>	<u>Building and Equipment</u>	<u>Total</u>
Balance June 30, 1995	\$ 107,019	\$ 4,065,288	\$ 4,172,307
Additions		11,341	11,341
Retirements			
Balance June 30, 1996	<u>107,019</u>	<u>4,076,629</u>	<u>4,183,648</u>

NOTE C - CHANGES IN GENERAL LONG-TERM DEBT ACCOUNT GROUP

A summary of changes in long-term debt follows:

	<u>Compensated Absences</u>
Balance June 30, 1995	\$ 20,185
Additions	420*
Retirements	
Balance June 30, 1996	<u>\$ 20,605</u>

\* Net change

NOTE D - JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

The fire district is defendant in several law suits. In the opinion of legal counsel for the district, the amount, if any, that would be required to be paid (after insurance coverage) would be immaterial to the financial statements.

NOTE E - CONTRACTUAL AGREEMENTS

During the year the Fire District was party to an intergovernmental agreement with the Greater Lafourche Port Commission to provide communication services, including dispatching of calls, on a twenty-four hour a day basis, seven days a week for the Port Commission at a fee of \$12,000 per year.

The Fire District had an identical agreement with Ambulance Service District No. 1 of Lafourche Parish except that the fee received was \$5,000 per quarter.

SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH

SCHEDULE I

SCHEDULE OF PER DIEMS PAID COMMISSIONERS

For The Year Ended June 30, 1996

	<u>Amount</u>
Larry Louviere	\$ ---
Henry Lafont, Jr.	---
Julian Smith	---
Peter Callais	---
Greg Galliano	---
Norman Lefort	---
Kim Breaux	---
	<hr/>
	<u>\$ -0-</u>



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LAROSE, LA 70373

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Fire Protection District No. 3  
of Lafourche Parish

I have audited the general purpose financial statements of FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH, component unit of Lafourche Parish, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 23, 1996.

I have conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Controller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Fire Protection District No. 3  
of Lafourche Parish

I have audited the general purpose financial statements of FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH, a component unit of Lafourche Parish, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 23, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Controller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH is the responsibility of the FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH'S management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the FIRE PROTECTION DISTRICT NO. 3 OF LAFOURCHE PARISH'S compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

December 23, 1996

