

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, when the focus of attention is on the providing of services to the public as opposed to proprietary funds when the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only governmental fund types (General Fund). The General Fund is the general operating fund of the district and is used to account for all financial activities not required to be accounted for in other funds. Primary funding is provided by annual valuations tax approved by voters of the district and state fire insurance rebates.

#### C. FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental fund and the related assets are reported in the general fixed assets account group. All purchased general fixed assets are valued at historical cost. Donated fixed assets are recorded at their fair market value on the date of donation. Approximately 95 per cent of general fixed assets are valued at actual cost while the remaining 5 per cent are valued at estimated cost, based on the actual historical cost of like items. No depreciation has been provided on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized.

Long-term debt expected to be financed from governmental funds is accounted for in the general long-term debt account group, not in the governmental funds.

#### D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

DISTRICT NO. 4  
CLAYBORNE PARISH FIRE DEPARTMENT, INC.  
Lafayette, Louisiana  
Notes to the Financial Statements (Continued)

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and its liabilities:

#### Revenues

All valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1503 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the current year.

Other intergovernmental revenues are recorded when the district is entitled to the funds.

Interest income on demand deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, ad valorem taxes and other intergovernmental revenues have been treated as susceptible to accrual.

#### Expenditures

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

#### Other Financing Sources

Proceeds from capital leases and the sale of assets are accounted for as other financing sources and are recognized when the underlying events occur.

**K. BUDGET PRACTICES**

A preliminary budget for the ensuing year is prepared by the board prior to December 31 of each year during the board's regular December meeting. The proposed budget is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners. Disbursement accounting is not used by the district.

Fiscal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

**L. CASH AND CASH EQUIVALENTS**

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1996, the district has demand deposits (book balances) totaling \$30,415.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash book balances at December 31, 1996, total \$34,905 and are fully secured by federal deposit insurance.

**M. TOTAL COLUMN ON COMBINED  
BALANCE SHEET**

The total column in the combined balance sheet is captioned Memorandum Only (Overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

DISTRICT NO. 8  
 CLAIROUPE PARISH FIRE DEPARTMENT, INC.  
 Lakeou, Louisiana  
 Notes to the Financial Statements (Continued)

2. LEVIED TAXES

The district is authorized to levy a maximum tax of 10.00 mills on property within the boundaries of the district for maintenance and operation of the district. The district levied 11.43 and 11.13 mills for 1996 and 1995, respectively. The tax will expire with the 1996 tax roll. The difference between authorized and levied millages is the result of assessments of taxable property in the district, as required by Article VII, Section 18, of the Louisiana Constitution of 1974.

The following are the principal taxpayers for the parish and their 1996 assessed valuation:

	1996 Assessed Valuation	Percent of Total Assessed Valuation
Marathon Oil Company	\$3,878,400	6.77%
Ludlow Corporation	2,810,730	4.93%
Texas Gas Transmission Corporation	2,768,630	4.83%
Hazard Fracking Company, Inc.	1,698,760	2.96%
Hydrusath Telecommunication	1,651,510	2.88%
Energy Louisiana, Inc.	1,608,600	2.80%
Hunt Oil Company	1,428,900	2.49%
Pan Energy Field Services, Inc.	1,272,960	2.22%
Chalmette Electric Coop., Inc.	1,256,160	2.19%
Premier Bancorp, Inc.	<u>992,130</u>	<u>1.71%</u>
Total	<u>\$58,356,780</u>	<u>33.75%</u>

3. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the two-year period December 31, 1996:

	Balance at January 1,	Additions	Deletions	Balance at December 31,
1995:				
Land	\$2,000			\$2,000
Buildings	101,380			101,380
Equipment	100,308			100,308
Vehicles	193,451			193,451
Assets under capital lease		<u>582,950</u>		<u>90,950</u>
Total	<u>\$400,219</u>	<u>582,950</u>	<u>NONE</u>	<u>\$986,170</u>

DISTRICT NO. 6  
 CLAIRBORNE PARISH FIRE DEPARTMENT, INC.  
 Lisbon, Louisiana  
 Notes to the Financial Statements (Continued)

	Balance at January 1,	Additions	Deletions	Balance at December 31,
1996:				
Land	\$2,000			\$2,000
Buildings	101,380			101,380
Equipment	109,388	57,292		166,680
Vehicles	193,451	3,102		196,553
Assets under capital lease	99,950			99,950
Total	<u>\$506,178</u>	<u>\$60,394</u>	<u>\$0,000</u>	<u>\$566,572</u>

4. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of long-term debt transactions for the two years ended December 31, 1996:

	Bank Loan	Capital Lease	Total
Long-term debt payable at January 1, 1995	\$48,755	\$0,000	\$48,755
Additions - 1995		99,950	99,950
Reductions:			
1995	(48,755)	(30,000)	(78,755)
1996		(18,850)	(18,850)
Long-term debt payable at December 31, 1996	<u>\$0,000</u>	<u>\$41,100</u>	<u>\$41,100</u>

5. BANK LOAN

In 1991, the district borrowed \$171,630 for the purpose of refinancing the existing debt. Annual installments of \$55,265 were due through March 1, 1995 with interest at 9.25 percent. Debt service payments were made from the General Fund.

DISTRICT NO. 8  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lafayette, Louisiana  
Notes to the Financial Statements (Continued)

6. CAPITAL LEASE

The district records loans under capital leases as an asset and an obligation in the accompanying financial statements. During 1995, the district entered into a capital lease for a fire truck. The lease had an original recorded amount of \$69,090. Lease obligations are retired from the General Fund. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 1996:

Year _____	
1997	\$43,479
Less amount representing interest	<u>(2,779)</u>
Present value of net minimum lease payments	<u>\$40,700</u>

7. LITIGATION AND CLAIMS

At December 31, 1996, the district is not involved in any litigation, nor is it aware of any asserted claims.

8. EXPENDITURES - BUDGET AND ACTUAL

Expenditures for the year ended December 31, 1996 and 1995, exceeded budgeted expenditures by \$22,267 (17 %) and \$111,578 (79 %), respectively.

DISTRICT NO. 4  
CLABORNE PARISH FIRE DEPARTMENT, INC.  
Lafayette, Louisiana  
Notes to the Financial Statements (Continued)

- 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.

Because the police jury created the district, appoints certain commissioners of the district, and has the ability to impose its will on the district, the district was determined to be a component unit of the Claiborne 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 Claiborne Parish financial reporting entity.

## B. 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (special fund assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect an expendable available financial resource. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

DISTRICT NO. 6  
 CLAIRBORNE PARISH FIRE DEPARTMENT, INC.  
 Likiou, Louisiana

Schedule of Compensation Paid Commissioners  
 For the Two Years Ended December 31, 1996

	<u>1996</u>	<u>1995</u>
Sammy Griceaux	\$240	\$240
Carroll Holmes	240	240
Danny Lee	240	220
Joe Richardson	240	240
Frank Speer	<u>240</u>	<u>240</u>
Total	<u>\$1,200</u>	<u>\$1,180</u>

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lafayette, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE  
For the Two Years Ended December 31, 1996

COMPENSATION PAID COMMISSIONERS

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The commissioners receive \$20 per month.



**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

**BOARD OF COMMISSIONERS  
DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lafayette, Louisiana**

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated herein, which were agreed upon by the management of District No. 6, Claiborne Parish Fire Department, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about District No. 6, Claiborne Parish Fire Department, Inc.'s compliance with certain laws and regulations during the two years ended December 31, 1996 included in the accompanying Louisiana Accountant's Certificate. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described herein 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 each year under examination for materials and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursement journals for the two years. This review did not disclose any expenditures made for public works exceeding \$50,000. However, two expenditures were noted during the period under examination for materials and supplies exceeding \$5,000. In one instance, an emergency was declared as provided by the public bid law. There were no bids or quotes obtained for a purchase of equipment totaling \$7,538. I recommended that the board comply with the public bid law in the future.

**111 PROFESSIONAL BUREAU  
NEW ORLEANS,  
LOUISIANA 70002  
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TELETYPE 524-8811  
1-800-445-4466  
FAX 524-8811**

DISTRICT NO. 6  
CLAIROUNE PARISH FIRE DEPARTMENT, INC.  
Lafayette, Louisiana  
Independent Accountant's Report on  
Applying Agreed Upon Procedures,  
December 31, 1996

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

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

Management provided me with the required list including the noted information.

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

The district has no employees.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

The district has no employees.

**Budgeting**

5. Obtain a copy of the legally accepted budgets and all amendments.

Management provided me with a copy of the original budgets and amendments.

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

I traced the adoption of the original budgets to the minutes of meetings held on December 5, 1994 and December 4, 1995, which indicated that the budgets had been adopted by the Board of Commissioners of District No. 6, Claiborne Parish Fire Department, Inc. by votes of all in favor and none opposed. I also traced the adoption of amendments to the 1995 and the 1996 budget to the minutes of meetings held on December 9, 1996, and December 4, 1996, respectively.

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lafayette, Louisiana  
Independent Accountant's Report on  
Applying Agreed Upon Procedures,  
December 31, 1996

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

I compared the revenues and expenditures of the final budgets to actual revenues and expenditures. Actual revenues did not fail to meet budgeted amounts by 5% or more. However, actual expenditures exceeded budgeted amounts by \$22,367 (17%) and \$111,576 (79%) in 1995 and 1996, respectively. An adjustment to record proceeds from a capital lease caused the 1995 variance to increase from 8 percent to 79%. LSA-RS 09:1310 requires the board to adopt a budget amendment when unfavorable variances exceed 5%. I recommend that the board monitor its budgets and adopt amendments when required.

**Accounting and Reporting**

8. Randomly select 6 disbursements made during each period under examination and:
- (a) trace payments to supporting documentation as to correct amount and purpose;
  - (b) determine if payments were properly coded to the correct fund and general ledger account;
  - (c) determine whether payments received approval from proper authorities.

An examination of twelve randomly selected disbursements disclosed the following:

- (a) All twelve selected disbursements were for the proper amount as reflected on supporting documentation and were made to the correct payee.
- (b) All twelve payments were coded to the correct fund and general ledger account.
- (c) Inspection of documentation supporting each of the twelve disbursements indicated approval from two board members. Further, the types of disbursements made were included in the district's approved budget.

DISTRICT NO. 6  
CLAYBORNE PARISH FIRE DEPARTMENT, INC.

Lidson, Louisiana  
Independent Accountant's Report on  
Applying Agreed Upon Procedures,  
December 31, 1996

General

17. I noted a payment of \$4,350 in February, 1997 for meals. Inquiry disclosed that family members of board members and firefighters participated in a meeting at which a meal was provided. Meals should only be provided in connection with fire protection activities to the people directly involved in fire protection. Otherwise, the expenditure constitutes a gift which violates Article VIII, Section 14 of the Louisiana Constitution.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, 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 management of the District No. 6, Clayborne Parish Fire Department, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



West Monroe, Louisiana  
May 5, 1997

SUPPLEMENTAL INFORMATION SCHEDULE

DISTRICT NO. 6  
 CLAIRBORNE PARISH FIRE DEPARTMENT, INC.  
 Litch, Louisiana  
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and  
 Changes in Fund Balance -  
 Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 1995

	BUDGET	ACTUAL	VARIANCE (FAVORABLE OR UNFAVORABLE)
<b>REVENUES</b>			
Ad valorem taxes	\$149,097	\$152,689	\$3,592
Intergovernmental revenue:			
State funds - fire insurance rebate	8,000	8,000	
Local funds	3,900	3,000	(900)
Use of money and property	1,800	1,706	(94)
Other revenues	1,690	1,690	
Total revenues	<u>164,487</u>	<u>167,125</u>	<u>2,638</u>
<b>EXPENDITURES</b>			
Current - public safety:			
Personal services	1,200	1,180	20
Operating services	47,810	47,671	139
Material and supplies	12,850	12,714	136
Travel and other	530	530	
Debt service	53,265	73,265	(20,000)
Capital outlay	25,000	803,790	(78,790)
Intergovernmental			
Total expenditures	<u>140,655</u>	<u>252,251</u>	<u>(111,596)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	23,832	14,874	(8,966)
<b>OTHER SOURCE</b>			
Proceeds from capital lease	NONE	95,950	95,950
<b>EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES</b>	23,832	110,824	(86,992)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>17,000</u>	<u>141,553</u>	<u>124,553</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$41,464</u>	<u>\$252,378</u>	<u>\$210,824</u>

See accompanying notes and accountant's compilation report.

DISTRICT NO. 6  
 CLAIRBORNE PARISH FIRE DEPARTMENT, INC.  
 Lake, Louisiana  
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and  
 Changes in Fund Balance -  
 Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 1996

	BUDGET	ACTUAL	VARIANCE (FAVORABLE) (UNFAVORABLE)
<b>REVENUES</b>			
Ad valorem taxes	\$149,097	\$189,015	\$39,918
Intergovernmental revenue:			
State funds - fire insurance rebate	8,800	3,519	(5,281)
Local funds	1,000		(1,000)
Tax of money and property	1,800	2,158	358
Other revenues	500	652	152
Total revenues	<u>156,997</u>	<u>195,354</u>	<u>38,357</u>
<b>EXPENDITURES</b>			
Current - public safety:			
Personnel services	1,200	1,200	
Operating services	49,310	58,642	(9,332)
Material and supplies	15,000	17,527	(2,527)
Travel and other	200		200
Debt service	43,479	43,479	
Capital outlay	23,900	22,284	11,616
Intergovernmental		21,874	(21,874)
Total expenditures	<u>132,689</u>	<u>155,956</u>	<u>(23,267)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	24,308	39,398	11,600
<b>OTHER SOURCE</b>			
Sale of assets	None	350	350
<b>EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES</b>	24,308	39,748	11,950
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>30,466</u>	<u>136,397</u>	<u>134,931</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$54,774</u>	<u>\$199,055</u>	<u>\$136,881</u>

See accompanying notes and accountant's compilation report.

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lafayette, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1996

	GOVERNMENTAL FUND TYPE - CLINICAL FUND	ACCOUNT GROUPS		TOTAL AMERICAN CITY
		GENERAL FUND	GENERAL LONG TERM FUND	
<b>ASSETS AND OTHER DEBITS</b>				
Cash	\$30,645			\$30,645
Receivables - ad valorem taxes	170,715			170,715
Land, buildings, and equipment		\$518,563		518,563
Amount to be provided for retirement of general long-term debt			\$41,100	41,100
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>\$201,328</u>	<u>\$518,563</u>	<u>\$41,100</u>	<u>\$760,991</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$9,273			\$9,273
Loans payable			\$41,100	41,100
Total Liabilities	<u>9,273</u>	<u>80,800</u>	<u>41,100</u>	<u>50,373</u>
<b>Fund Equity:</b>				
Investment in general fixed assets		\$518,563		518,563
Fund balance - unassigned - undesignated	192,055			192,055
Total Fund Equity	<u>192,055</u>	<u>518,563</u>	<u>80,800</u>	<u>710,618</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$201,328</u>	<u>\$518,563</u>	<u>\$41,100</u>	<u>\$760,991</u>

See accompanying notes and accountant's compilation report.

GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)



Accountant's Compilation Report

BOARD OF COMMISSIONERS  
DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lafayette, Louisiana

I have compiled the accompanying general purpose financial statements, as listed in the foregoing table of contents, of the District No. 6, Claiborne Parish Fire Department, Inc. as of December 31, 1998, and for each of the years in the two year period then ended, in accordance with standards established by 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. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

West Monroe, Louisiana  
May 5, 1999

VERNON R. QUON, MISSISSIPPI  
STATE ACCOUNTANT  
1000 N. W. 10TH AVENUE  
MIAMI, FL 33136  
TEL: 305-571-1111  
FAX: 305-571-1111

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Libon, Louisiana

General Purpose Financial Statements  
With Accountant's Compilation Report  
and Agreed-Upon Procedures Report  
As of and for the Two Years Ended  
December 31, 1996

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89.80



REPORT NO. 4  
CLARENCE FARBER FIRE INSURANCE, INC.  
Lafayette, Louisiana

General Purpose Financial Statement  
With Accountant's Compliance Report  
and Approval Upon Procedures Report  
As of and for the Two Years Ended  
December 31, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, as required, and will be 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: APR 23 1997

VERNON R  
COON  
CERTIFIED PUBLIC ACCOUNTANT

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

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Directional Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana**

Notes to the Financial Statements  
As of and for the Two Years Ended December 31, 1996

**1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

District No. 6, Claiborne Parish Fire Department, Inc. was originally created as the Lisbon Fire Protection District by resolution of the Claiborne Parish Police Jury on May 7, 1957. The district was incorporated on August 6, 1983. The name of the district was changed to District No. 6, Claiborne Parish Fire Department, Inc., by resolution of the police jury on February 11, 1988. The district was created to purchase and maintain fire equipment and provide fire protection for people within the district as provided by Louisiana Revised Statutes §§ 1891-1911. Fire protection for the district is provided totally by volunteers. The district has fire stations located in Lisbon, Sharon, Arizora and Amboath. A resolution by the Claiborne Parish Police Jury on August 5, 1993, allowed District No. 6, Claiborne Parish Fire Department, Inc., to annex the station at Sumnerfield and to add stations at Hobson, Bailey Town, and Garden. The district is governed by a five member board of commissioners: two members appointed by the Claiborne Parish Police Jury, two members appointed by the Mayor and Board of Aldermen of the Village of Lisbon, and one member by the other four members. Members serve two-year terms.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Claiborne Parish Police Jury is the financial reporting entity for Claiborne 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 the 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 (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Claiborne Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

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