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Financial Report

Coteau Fire Protection District

Houma, Louisiana

December 31, 1997

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

Release Date Jan 6 1998

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Cotman Fire Protection District

December 31, 1997

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Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
CotEAU Fire Protection District,
Houma, Louisiana.

We have audited the accompanying general-purpose financial statements of CotEAU Fire Protection District (the District), a component unit of the Terrebonne Parish Consolidated Government, as of December 31, 1997 and for the period from inception (February 6, 1997) to December 31, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our 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. These standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 1998 on our consideration of CotEAU Fire Protection District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, La.,
June 25, 1998.

**COMBINED BALANCE SHEET
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUPS**

Catawba Fire Protection District

December 31, 1997

	Governmental Fund Type General	Account Groups		Total (Monetary Only)
		General Fund Assets	General Long-Term Obligation	
ASSETS AND OTHER DEBITS				
Assets				
Cash	\$ 7,356	\$ -	\$ -	\$ 7,356
Receivables:				
Taxes	79,871	-	-	79,871
Other	1,188	-	-	1,188
Due from other governmental units	18,099	-	-	18,099
Fixed assets	-	3,398	-	3,398
Other Debits				
Amount to be provided for retirement of general long-term obligation	-	-	42,438	42,438
Total assets and other debits	\$ 98,424	\$ 3,398	\$ 42,438	\$ 144,260
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable and accrued expenditures	\$ 1,060		\$ -	\$ 1,060
Deferred revenues	82,479		-	82,479
Other long-term obligation	-		42,438	42,438
Total liabilities	83,539		42,438	125,977
Equity and Other Credits				
Investment in general fund assets	-	\$ 3,338		3,338
Fund balances - reserved	14,887		-	14,887
Total equity and other credits	14,887	3,338		20,245
Total liabilities, equity and other credits	\$ 98,426	\$ 3,338	\$ 42,438	\$ 144,202

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
GOVERNMENTAL FUND TYPE - GENERAL FUND**

Catahoula Fire Protection District

For the period from inception (February 6, 1997) to December 31, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intragovernmental:			
State of Louisiana:			
Fire insurance tax		\$ 4,000	\$ 4,000
Miscellaneous - interest		<u>356</u>	<u>356</u>
Total revenues		<u>4,425</u>	<u>4,425</u>
Expenditures			
Current:			
Public Safety:			
Supplies and materials	\$ 6,600	7,367	(767)
Other services and charges	21,550	16,078	5,472
Repairs and maintenance	4,650	3,844	806
Capital expenditures	<u>2,500</u>	<u>5,358</u>	<u>(2,858)</u>
Total public safety	<u>34,700</u>	<u>32,647</u>	<u>2,053</u>
Debt Service:			
Principal retirement	12,597	12,597	
Interest and fiscal charges	<u>3,253</u>	<u>3,253</u>	
Total debt service	<u>15,850</u>	<u>15,850</u>	
Total expenditures	<u>50,550</u>	<u>48,497</u>	<u>2,053</u>
Deficiency of Revenues Over Expenditures	(50,550)	(44,072)	6,478
Fund Balance			
Beginning of year	-	-	-
Residual equity transfer in	<u>58,650</u>	<u>58,650</u>	-
End of year	<u>\$ 8,409</u>	<u>\$ 14,578</u>	<u>\$ 6,478</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Cotau Fire Protection District**

December 31, 1997

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Cotau Fire Protection District (the District) conform to 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. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of the Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 1997.

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) 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. An account group, on the other hand, 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

Governmental Funds

Governmental Funds are those through which the governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the District:

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

Account Groups

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in proprietary or trust funds. The General Long-Term Obligation Account Group is used to account for general long-term obligations and certain other liabilities that are not specific liabilities of proprietary or trust funds.

c) Basis of Accounting

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 related state revenue sharing (Intergovernmental revenues) are recorded as revenues in the period for which levied, thus the 1997 property taxes which are being levied to finance the 1998 budget will be recognized as revenue in 1998. The 1997 tax levy is recorded as deferred revenue in the District's 1997 Financial Statements. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term obligations which are recognized when due.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Use of Estimates

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

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1343, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with generally accepted accounting principles.

f) Bad Debts

The financial statements for the District contain no allowance for bad debts. 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.

g) Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position.

It is not involved with the measurement of results of operations. Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized. No depreciation has been provided on general fixed assets.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Fixed Assets (Continued)

All fixed assets are valued at historical cost.

h) Long-Term Obligation

The accounting and reporting treatment applied to the long-term obligations associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Obligation Account Group, not in the governmental funds.

The Long-Term Obligation Account Group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

i) Encumbrances

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

j) Memorandum Only - Total Column

The total column on the general-purpose financial statement is captioned "Memorandum Only" because it does not represent consolidated financial information and is presented only to facilitate financial analysis. The column does not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state banks organized under laws of Louisiana and National Banks having their principal office in Louisiana or any other federally insured investment.

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank, or with a trust company for the account of the political subdivision.

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 or agent but not in the District's name and deposits which are uninsured or uncollateralized.

The year end bank balances and the carrying amounts as shown on the combined balance sheet are as follows:

	Bank Balances			Book Balance
	Category			
	1	2	3	
Cash	\$11,682	\$-	\$-	\$11,682

At December 31, 1997, cash was not in excess of the FDIC insurance.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 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 Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the list of January 1, 1996. 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 the year ended December 31, 1997 was \$8.00 per \$1,000 of assessed valuation on property within Cousas Fire Protection District for the purpose of maintaining and operating fire protection facilities within the District. As indicated in Note 1a, taxes levied November 1, 1997 are for budgeted expenditures in 1998 and will be recognized as revenues in 1998.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1997 consisted of the following:

State of Louisiana -	
State revenue sharing	\$ 2,648
Terrebonne Parish Consolidated Government	7,481
Total	<u>\$10,129</u>

Note 5 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance February <u>6, 1997</u>	Additions	Balance December <u>31, 1997</u>
Machinery and equipment	<u>2-</u>	<u>\$5,358</u>	<u>\$5,358</u>

Note 6 - CHANGES IN LONG-TERM OBLIGATION

The District has entered into a financing lease agreement for the acquisition of a fire truck.

The following is a summary of changes in the long-term obligation of the District for the term inception (February 6, 1997) to December 31, 1997:

Payable at inception (February 6, 1997)	\$ -
Adjustment	33,033
Principal payment	<u>12,597</u>
 Payable at December 31, 1997	 <u>\$42,438</u>

The adjustment resulted from the creation of the fire protection districts described in Note 5.

The future minimum lease obligations and the net present value of these minimum lease payments at December 31, 1997 are as follows:

Year	Principal	Interest	Total
1998	\$13,342	\$2,308	\$15,650
1999	14,130	1,729	15,859
2000	<u>14,866</u>	<u>884</u>	<u>15,750</u>
 Totals	 <u>\$42,438</u>	 <u>\$5,113</u>	 <u>\$47,550</u>

Note 7 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended December 31, 1997.

Note B - RESIDUAL EQUITY TRANSFER

At inception, February 6, 1997, Parish Ordinance No. 5732 created five separate and distinct Fire Protection Districts within the boundaries of the former Fire Protection District 1,2,3, whose governing authority was the Parish Council. Coteau Fire Protection District is one of the newly created districts. The portion of Fire Protection District No. 1,2,3's assets allocable to each of the new districts was based upon the new district's estimated pro-rata share of ad valorem tax collected within the former boundaries of Fire Protection District No. 1,2,3. In addition to this year's residual equity transfer, the Parish Council may make adjustments during 1998 to the asset allocation based upon a final detailed analysis of all assets allocated. However, in the opinion of the District's management, changes in the asset allocation should not have a material impact on the general-purpose financial statements.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL-
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,
CotEAU Fire Protection District,
Bosma, Louisiana.

We have audited the general-purpose financial statements of the CotEAU Fire Protection District (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1997 and for the period from inception (February 6, 1997) to December 31, 1997, and have issued our report thereon dated June 25, 1998. We conducted our 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 general-purpose financial statements are free of material misstatement, we 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our 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 our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our 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 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. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

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

Bougeois Bennett, LLC.

Certified Public Accountants.

Monroe, La.,
June 25, 1998.

SCHEDULE OF FINDINGS

Coteau Fire Protection District

For the period from inception (February 6, 1997) to December 31, 1997

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Reportable condition(s) identified that are not
 considered to be material weaknesses? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

b) Federal Awards

Coteau Fire Protection District did not receive federal awards during period from inception (February 6, 1997) to December 31, 1997.

Section II Financial Statement Findings

No financial statement findings were reported during the audit for the period from inception (February 6, 1997) to December 31, 1997.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Catonsville Fire Protection District

For the period from inception (February 6, 1997) to December 31, 1997

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

1997 was the initial year of operation.

Compliance

1997 was the initial year of operation.

Section II Internal Control and Compliance Material to Federal Awards

1997 was the initial year of operation.

Section III Management Letter

1997 was the initial year of operation.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Cataau Fire Protection District

For the period from inception (February 6, 1997) to December 31, 1997

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were reported during the audit for the period from inception (February 6, 1997) to December 31, 1997.

No reportable conditions were reported during the audit for the period from inception (February 6, 1997) to December 31, 1997.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit.

Section II Internal Control and Compliance Material to Federal Awards

Cataau Fire Protection District did not receive federal awards during the audit for the period from inception (February 6, 1997) to December 31, 1997.

Section III Management Letter

A management letter was not issued in connection with the audit.

COMMUNICATIONS LETTER



Burgess Bennett
COMMUNICATIONS WITH BOARD OF COMMISSIONERS

To the Board of Commissioners,
CotEAU Fire Protection District,
Houma, Louisiana.

We have audited the general-purpose financial statements of CotEAU Fire Protection District for the period from inception (February 6, 1997) to December 31, 1997, and have issued our report thereon dated June 25, 1998. Professional standards require that we provide you with the following information related to our audit:

1) OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the general-purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

2) SIGNIFICANT ACCOUNTING POLICIES

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the general-purpose financial statements. We noted no transactions entered into by the District during the year that were

2) **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

3) **ACCOUNTING ESTIMATES**

Accounting estimates are an integral part of the general-purpose financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the general-purpose financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements relate to collectibility of accounts receivable and valuation of accrued expenditures. We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole. Management has provided us with representations concerning estimates.

4) **SIGNIFICANT AUDIT ADJUSTMENTS**

We did not initiate any significant audit adjustments during our recent audit.

This information is intended solely for the use of the Board of Commissioners and management of Cotnam Fire Protection District and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Bourgeois Bennett, LLC

Certified Public Accountants