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Release Date: 11-11-87

**LAFOURCHE PARISH FIRE
PROTECTION DISTRICT NO. 1
RACELAND, LOUISIANA
PARISH OF LAFOURCHE**

**FINANCIAL REPORT AND INTERNAL CONTROL AND
COMPLIANCE REPORT**

**AS OF AND FOR THE TWO YEARS ENDED
DECEMBER 31, 1986 AND 1987**



STACH & COMPANY, LLC, CPAs

ACCOUNTANTS & CONSULTANTS

***LAFOURCHE PARISH FIRE
PROTECTION DISTRICT NO. 1***
BOSSHARD, LOUISIANA
PARISH OF LAFOURCHE

**FINANCIAL REPORT AND INTERNAL CONTROL AND
COMPLIANCE REPORT**

**AS OF AND FOR THE TWO YEARS ENDED
DECEMBER 31, 1996 AND 1997**



**LAFORCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
BACELAND, LOUISIANA**

*General Purpose Financial Statements
As of and for the Two Years Ended December 31, 1996 and 1997*

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**LAFOURCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
BACCLAND, LOUISIANA**

*General Purpose Financial Statements
As of and for the Two Years Ended December 31, 1996 and 1997*

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STAGNI & COMPANY, LLC

INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Lafourche Parish Fire Protection District No. 1
Raceland, Louisiana

We have audited the accompanying general-purpose financial statements of the Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council, as of and for the two years ended December 31, 1996 and 1997, as listed in the financial section of the foregoing table of contents. These general-purpose financial statements are the responsibility of the Lafourche Parish Fire Protection District No. 1'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 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. 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 Lafourche Parish Fire Protection District No. 1 as of December 31, 1996 and 1997, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 27, 1998 on our consideration of the Lafourche Parish Fire Protection District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Stagni & Company, LLC

Thibodaux, Louisiana
February 27, 1998

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LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 1998

ASSETS AND OTHER DEBITS	Governmental Fund Types		Account Groups		Totals (Information Only)
	General	Debt Service	General	Special Long Term Debt	
	\$128,743	\$3,262	\$1,853,787	\$85,491	
Cash and investments	\$128,743	\$3,262			\$132,005
Accrued taxes receivable	20,404	12,125			32,529
Due from other governmental units	84,297	50,374			134,671
Deposits	1,523				1,523
General fund assets			\$1,853,787	\$85,491	\$1,939,278
Amount available in Debt Service Fund				\$59,158	\$59,158
Amount to be provided by retirement of general long-term debt				\$262,808	\$262,808
Total assets	\$128,743	\$55,761	\$1,853,787	\$262,808	\$2,291,199
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities					
General obligation bonds payable			\$880,000		\$880,000
Certificates of indebtedness			42,000		42,000
Total liabilities			\$922,000		\$922,000
Equity and Other Credits:					
Investment in general fund assets					\$1,873,787
Fund balances:					
Reserved for debt service (unreserved) - unencumbered	\$174,831	\$85,769			\$260,600
Total equity and other credits	\$174,831	\$85,769	\$1,873,787		\$2,134,459
Total liabilities and fund equity	\$174,831	\$85,769	\$1,922,000	\$262,808	\$2,182,877

See notes to financial statements.

LAFOURGHE PARISH FIRE PROTECTION DISTRICT NO. 1
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
 All Governmental Fund Types
 For the year ended December 31, 1999

	Governmental Fund Types			Totals (Minimums Only)
	General	Debt Service	Capital Project	
REVENUES				
Taxes - ad valorem	\$114,749	\$58,923		\$173,672
Intergovernmental:				
State of Louisiana:				
State Revenue sharing	6,304			6,304
Insurance Rebate	24,648			24,648
Lafourche Communication District	12,800			12,800
Other	5,730	3,589	92,832	102,151
Total Revenues	<u>180,231</u>	<u>62,512</u>	<u>92,832</u>	<u>335,575</u>
EXPENDITURES				
General government - current:				
Ad valorem tax deductions	3,440	2,044		5,484
Public Safety	89,708		0	89,708
Total current expenditures	<u>93,148</u>	<u>2,044</u>	<u>0</u>	<u>95,192</u>
Capital expenditures	<u>25,849</u>		<u>44,752</u>	<u>70,601</u>
Debt Service:				
Principal retirement		18,000		18,000
Interest and fiscal charges		92,832		92,832
Total debt service		<u>110,832</u>		<u>110,832</u>
Total expenditures	<u>117,997</u>	<u>112,876</u>	<u>44,752</u>	<u>275,625</u>
Excess (deficiency) of revenues over expenditures	45,134	(50,364)	(42,220)	(18,650)
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	3,888	(2,083)		1,805
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>49,022</u>	<u>(52,447)</u>	<u>(42,220)</u>	<u>(18,650)</u>
FUND BALANCES				
Beginning of year	189,712	81,385	42,220	313,317
End of year	<u>\$214,921</u>	<u>\$28,938</u>	<u>\$0</u>	<u>\$243,859</u>

See notes to the financial statements.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Statement of Revenues, Expenditures, and Changes
in Cash Balances - Budget (Mar-GAAP Basis) and Actual
General Fund

For the year ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes - all voters	\$111,000	\$119,113	\$8,113
Intergovernmental:			
State of Louisiana			
State Revenue Sharing	0,408	6,304	(3,086)
Insurance Rebate	25,000	24,640	(364)
Lafourche Communication District	10,000	10,000	0
Other	3,000	3,700	(8,000)
Total Revenues	<u>150,000</u>	<u>158,813</u>	<u>10,433</u>
EXPENDITURES			
General government - current:			
Ad valorem tax deductions	6,100	5,267	843
Public Safety	128,000	97,080	33,120
Total current expenditures	<u>134,100</u>	<u>102,347</u>	<u>33,878</u>
Capital expenditures:			
Total expenditures	<u>65,900</u>	<u>33,049</u>	<u>41,851</u>
Total expenditures	<u>197,000</u>	<u>135,396</u>	<u>75,829</u>
Excess (deficiency) of revenues over expenditures	(38,000)	47,501	(86,261)
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out)	<u>1,000</u>	<u>2,000</u>	<u>100</u>
Total other financing sources (uses)	<u>1,000</u>	<u>2,000</u>	<u>100</u>
EXCESS (DEFICIENCIES) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(36,000)	49,501	(86,510)
CASH BALANCES			
Beginning of year	<u>81,000</u>	<u>71,000</u>	<u>10,000</u>
End of year	<u>\$24,189</u>	<u>\$120,700</u>	<u>\$96,510</u>

See notes to financial statements

LAFORCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Condensed Statement of Revenues, Expenditures, and Changes
in Cash Balances - Budget (Non-GAAP Basis) and Actual
Debt Service Funds

For the year ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes - ad valorem	\$61,780	\$67,177	(54,523)
Other - interest	680	3,369	2,738
Total Revenues	<u>62,460</u>	<u>68,886</u>	<u>(1,754)</u>
EXPENDITURES			
General government - current			
Ad valorem tax deductions	3,305	1,880	1,425
Debt Service			
Principal retirement	19,080	19,080	0
Interest and fiscal charges	64,178	62,637	1,541
Total debt service	<u>83,258</u>	<u>81,717</u>	<u>1,541</u>
Total expenditures	<u>87,113</u>	<u>83,717</u>	<u>3,396</u>
Excess (deficiencies) of revenues over expenditures	(24,753)	(23,111)	1,612
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	(1,685)	(2,085)	(400)
Total other financing sources (uses)	<u>(1,685)</u>	<u>(2,085)</u>	<u>(400)</u>
EXCESS (DEFICIENCIES) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(26,413)	(25,296)	1,267
FUND BALANCES			
beginning of year	38,458	38,488	0
End of year	<u>\$12,045</u>	<u>\$13,282</u>	<u>\$1,237</u>

See notes to financial statements

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Continued Statement of Revenue, Expenditures, and Changes
in Cash Balances - Budget (Not-GAAP Basis) and Actual
Capital Project Fund

For the year ended December 31, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Other - interest	\$580	\$2,532	\$1,952
Total revenues	580	2,532	1,952
EXPENDITURES			
State of government - current			
Public Safety	0	0	0
Total current expenditures	0	0	0
Capital expenditures	48,980	44,782	(4,198)
Total expenditures	48,980	44,782	(4,198)
Excess (deficiency) of revenues over expenditures	(48,400)	(42,250)	(1,710)
CASH BALANCES			
Beginning of year	42,250	42,250	0
End of year	\$1,750	\$0	\$ (1,750)

See notes to financial statements.

LAFORCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Compared Balance Sheet - All Fund Types and Account Group

December 31, 1997

ASSETS AND OTHER DEBITS

	Governmental Fund Types		Account Groups		Totals (Governmental Only)
	General	Debt Service	General Fund Assets	General Long Term Debt	
Cash and Investments	\$4,883	\$4,884			\$9,767
All retirement liabilities	40,766	\$1,946			\$42,712
Due from other governmental units	75,565	40,375			115,940
Deposits	1,829				1,829
General fund assets			\$2,007,431	\$75,328	2,082,759
Amount available in Debt Service Fund Amount to be provided for retirement of general long-term debt				\$75,854	75,854
Total assets	\$156,953	\$75,395	\$2,007,431	\$467,036	\$2,556,815

LIABILITIES, EQUITY, AND OTHER CREDITS

	Governmental Fund Types		Account Groups		Totals (Governmental Only)
	General	Debt Service	General Fund Assets	General Long Term Debt	
Total assets	\$156,953	\$75,395	\$2,007,431	\$467,036	\$2,556,815
Liabilities:					
General obligation bonds payable				\$600,000	\$600,000
Certificates of indebtedness				\$1,000	\$1,000
Taxes levied				\$85,036	\$85,036
Equity and Other Credits:					
Investment in general fund assets		\$75,395			\$75,395
Fund balances:					
Reserved for debt service			\$2,017,431		2,017,431
Unreserved - undesignated					
Total equity and other credits	\$156,953	\$75,395	\$2,017,431	\$600,000	2,849,879
Total liabilities and fund equity			\$2,017,431	\$685,036	\$2,702,467

See notes to financial statements

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
For the year ended December 31, 1997

	<u>Governmental Fund Types</u>		Totals
	General	Service	(Memorandum Only)
REVENUES			
Taxes - ad valorem	\$121,089	\$72,221	\$193,310
Intergovernmental			
State of Louisiana:			
State Revenue Sharing	9,388		9,388
Insurance Rebate	24,690		24,690
Lafourche-Communication District	19,800		19,800
Grant	30,000		30,000
Other	1,089	798	1,887
Total Revenues	<u>186,056</u>	<u>73,019</u>	<u>259,075</u>
EXPENDITURES			
General government - current			
Ad valorem tax reductions	1,480		1,480
Public Safety	180,528		180,528
Total current expenditures	<u>182,008</u>		<u>182,008</u>
Capital expenditures	113,189		113,189
Debt Service			
Principal retirement		30,800	30,800
Interest and fiscal charges		54,330	54,330
Total debt service		<u>85,130</u>	<u>85,130</u>
Total expenditures	<u>295,197</u>	<u>85,130</u>	<u>380,327</u>
Excess (deficiency) of revenues over expenditures	<u>(109,141)</u>	<u>(12,111)</u>	<u>(121,252)</u>
(OTHER FINANCING SOURCES (USES))			
Operating transfers in (out)	<u>(20,026)</u>	<u>20,026</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>(129,167)</u>	<u>8,145</u>	<u>(121,022)</u>
FUND BALANCES			
Beginning of year			
End of year	<u>214,871</u>	<u>95,761</u>	<u>310,632</u>
	<u>\$188,898</u>	<u>\$75,385</u>	<u>\$264,283</u>

See notes to the financial statements.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Statement of Revenues, Expenditures, and Changes
in Cash Balances - Budget (Non-GAAP Basis) and Actual
General Fund

For the year ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes - ad valorem	\$110,000	\$118,804	\$8,804
Intergovernmental:			
State of Louisiana			
State Revenue Sharing	9,400	8,355	(1,045)
Insurance Rebate	24,800	24,880	80
Lafourche Commensuration District	10,000	10,000	0
Grant	20,000	20,000	0
Other	1,300	3,085	1,785
Total Revenues	<u>176,500</u>	<u>188,764</u>	<u>12,264</u>
EXPENDITURES			
General government - current:			
Ad valorem tax deductions	8,900	8,485	415
Public Safety	120,000	128,034	8,034
Total current expenditures	<u>128,900</u>	<u>136,519</u>	<u>7,619</u>
Capital expenditures:	121,000	113,185	7,815
Total expenditures	<u>249,900</u>	<u>249,704</u>	<u>196</u>
Excess (deficiencies) of revenues over expenditures	(71,000)	(20,900)	50,100
(OTHER FINANCING SOURCES) USES:			
Operating transfers in (out)	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
Total other financing sources (uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
EXCESS (DEFICIENCIES) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(91,000)	(20,870)	70,130
FUND BALANCES			
Beginning of year	130,000	120,700	9,300
End of year	<u>\$5,000</u>	<u>\$98,830</u>	<u>\$93,830</u>

See notes to financial statements.

LAFORCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Combined Statement of Revenues, Expenditures, and Changes
in Cash Balances - Budget (Non-GAAP Basis) and Actual
Debt Service Funds

For the year ended December 31, 1987

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes - ad valorem	\$65,711	\$65,308	\$2,607
Other - interest	925	718	195
Total Revenues	<u>66,636</u>	<u>66,026</u>	<u>2,150</u>
EXPENDITURES			
General government - current			
Ad valorem tax deductions	3,306	0	3,306
Debt Service:			
Principal retirement	26,000	26,000	0
Interest and fiscal charges	54,280	54,330	(75)
Total debt service	<u>80,280</u>	<u>80,330</u>	<u>(75)</u>
Total expenditures	<u>83,586</u>	<u>80,330</u>	<u>3,228</u>
Excess (deficiency) of revenues over expenditures	(16,950)	(16,204)	5,908
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	23,000	23,000	(2,874)
Total other financing sources (uses)	<u>23,000</u>	<u>23,000</u>	<u>(2,874)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	1,601	5,732	3,891
FUND BALANCES			
Beginning of year	3,230	3,282	12
End of year	<u>\$4,831</u>	<u>\$9,014</u>	<u>\$1,950</u>

See notes to financial statements.

**LAFOURCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
RACELAND, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the two years ended December 31, 1996 and 1997**

The Lafourche Parish Council adopted a resolution creating Fire Protection District No. 1 of the Parish of Lafourche, Louisiana and defining and describing the boundaries thereof on May 13, 1953. The District comprises that territory within the present boundaries of Police Jury Wards three and seven of Lafourche Parish. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statutes of the State of Louisiana, including the right to incur debt, issue bonds, and levy taxes.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Lafourche Parish Fire Protection District No. 1 (the District) conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies:

a. Reporting Entity

Under Governmental Accounting and Financial Standards Section 2109, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the Lafourche Parish Council is considered to be the primary government for financial reporting purposes for the Parish of Lafourche.

Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include:

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

**LAFOURCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
RACELAND, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

a. Related Party Reporting

1. 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.

The District is considered a component unit of the Lafourche Parish Council, if applying the criteria above. This decision is based on the fact that the Parish Council appoints the voting majority of the Board of Commissioners of the District.

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.

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 change in financial position, rather than upon net income determination. The Governmental Funds of the District are as follows:

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

**LAFOURCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
RACELAND, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. **Fund Accounting, (Continued)**

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

Capital Projects Fund - The Capital Projects Fund is used to account for the acquisition or construction of general fixed assets.

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.

All valorem taxes are considered "measurable" at the time of levy. 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.

d. **Operating Budgetary Data**

Budgets are adopted on a cash basis, which is not consistent with generally accepted accounting principles. Annual appropriated budgets are adopted on a cash basis for all governmental fund types and lapse at year end. The budget is amended by supplemental appropriations as needed during the year to comply with state law.

**LAFOURCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
RACELAND, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

a. 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 seem to indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the Fund.

c. Encumbrances

The District does not utilize encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in the District's books. The District is on a cash basis for daily operations and this method of accounting is not considered efficient or useful.

d. Reserves and Designations of Fund Balances

Reserves on the governmental funds represent portions of fund balances that are not appropriate for expenditures or have been segregated for specific future uses, while designations of fund balances represent tentative plans for financial resource utilization in a future period.

b. Cash and 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.

Under state law, the District may invest in United States bonds, treasury notes, or certificates.

State law also recognizes that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the 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 deposits. Obligation furnished as

**LAFORCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
RACELAND, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Cash and Deposits (Continued)

security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

b. General Fixed Assets

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

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including bridges, curbs, etc. are not capitalized. No depreciation has been provided on general fixed assets. Interest costs on fixed assets are not capitalized.

All fixed assets classified as tracks and buildings, and assets purchased since January 1, 1994 are valued at historical cost. All other fixed assets are valued as estimated cost because historical cost was not available. Donated fixed assets are valued at their estimated fair value on the date donated.

i. Long Term Debt

The accounting and reporting treatment applied to long-term obligations associated with a fund are determined by its measurement focus. Long term obligations expected to be financed from governmental funds are accounted for in the General Long Term Debt Account Group, not in the governmental funds.

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

**LAFOURCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
RACELAND, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1- Total (Manufactures Only) Column on Combined Statements

The total column on the combined statements - overview are captioned "manufactures only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present the financial position or the 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 preparation of this data.

Note 2 DEPOSITS AND INVESTMENTS

At December 31, 1996 the District has cash bank balances (all deposits) of \$112,802 and bank balances totaling \$112,745. At December 31, 1997 the District has cash bank balances (all deposits) of \$63,847 and bank balances totaling \$64,386. These deposits are stated at cost, which approximates market. Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The District's December 31, 1996 deposits are secured from risk by \$100,000 of federal deposit insurance and \$300,159 of pledged securities held by the custodial bank in the name of the fiscal agent bank. The District's December 31, 1997 deposits are secured from risk by \$64,386 of federal deposit insurance.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 90 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

**LAFOURCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
LACELAND, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 3 AD VALOREM TAXES

Ad Valorem taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and movable property located in the Parish. The Lafourche Parish Assessor's Office and the State Tax Commission set the percentages of actual value as specified by Louisiana law establishes assessed values.

A revaluation of all property is required to be completed no less than every five 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 taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 1995 and 1996 (in which the 1996 and 1997 taxes were levied) was \$4.04 per \$1,000 of assessed valuation of property within Lafourche Parish Fire Protection District No. 1 for the purpose of maintaining and operating the facilities and equipment, and \$2.75 per \$1,000 for the purpose of payment of general long term debt, principal, interest, and related costs for the District.

Note 4 COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members during the year ended December 31, 1996 or 1997.

Note 5 DUES FROM OTHER GOVERNMENTAL UNITS

The amounts due from other governmental units at December 31, 1996 and 1997 consisted of December 1996 and 1997 ad valorem tax collections due from the Lafourche Parish Tax Collector to be remitted to the District in January 1997 and 1998.

**LAFOURCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
BACELAND, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6 BUDGETARY REPORTING

The accompanying December 31, 1996 and 1997 Statement of Revenues, Expenditures, and Changes in Cash Balances - Budget (Non-GAAP Basis) and Actual, presents comparisons of the District's adopted budget (more fully described in Note 1) with actual data on a budgetary basis. The budget is prepared on a cash basis, which is not GAAP.

The revenues and expenditures shown on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances are reconciled with amounts reflected on the budget comparisons as follows:

DECEMBER 31, 1996:

	General Fund	Debt Service	Capital Projects
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses (GAAP Basis)	\$45,189	\$(22,624)	\$42,228
(Increase) decrease in revenues and receivables	4,427	(2,582)	0
Excess (Deficiency) of Revenues and Other financing sources over Expenditures and Other Uses (Budgetary Basis)	\$49,616	\$(25,206)	\$42,228

**LAFORCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
RACELAND, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6: BUDGETARY REPORTING (Continued)

DECEMBER 31, 1997:

	General Fund	Debt Service
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses (GAAP Basis)	\$(46,073)	\$9,545
(Increase) decrease in revenues and receivables	(7,883)	(3,821)
Excess (Deficiency) of Revenues and Other financing sources over Expenditures and Other Uses (Budgetary Basis)	\$(53,956)	\$5,724

Note 7: CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance December 31, 1995	Additions	Deletions/ Adjustments	Balance December 31, 1996
Buildings	\$437,404	\$44,972	\$19,168	\$463,216
Furniture & Equipment	131,501	20,724	(30,848)	141,377
Trucks	1,242,737	1,623	4,799	1,249,174
TOTALS	\$1,811,662	\$ 67,319	\$(25,218)	\$1,873,787

	Balance December 31, 1996	Additions	(Deletions)/ Donations	Balance December 31, 1997
Buildings	\$463,216	\$189,038	\$18,251	\$618,487
Furniture & Equipment	141,377	4,996	(12,083)	138,275
Trucks	1,249,174	2,487	(39,901)	1,248,271
TOTALS	\$1,873,787	\$196,503	\$27,166	\$2,011,431

**LAFOURCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
RACELAND, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 8

LONG TERM DEBT

At December 31, 1996 and 1995, the District had outstanding a Certificate of Indebtedness bearing interest at a rate of 8.25% payable through February 1, 1998 and General Obligation Bonds bearing interest at 11% to 5.45% payable through April 1, 2015.

A summary of changes in long term obligations of the District is as follows:

	Payable December 1, 1995	Debt Incurred	Debt Retired	Payable December 31, 1996
Certificate of Indebtedness, Series 1988	\$61,000		\$19,000	\$42,000
General Obligation Bonds, Series 1995	650,000			650,000
TOTALS	\$711,000		\$19,000	\$692,000

	Payable December 1, 1996	Debt Incurred	Debt Retired	Payable December 31, 1997
Certificate of Indebtedness, Series 1988	\$42,000		\$20,000	\$22,000
General Obligation Bonds, Series 1995	650,000		\$20,000	630,000
TOTALS	\$692,000		\$40,000	\$652,000

**LAFOURCHE PARISH FIRE PROTECTION
DISTRICT NO. 1**

RACELAND, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note B LONG TERM DEBT (Continued)

The annual requirements, including interest, to amortize all long term debt outstanding are as follows:

At December 31, 1996:

Maturity	General Obligation Bonds	Certificate of Indebtedness	Total
1997	\$60,970	\$22,728	\$83,698
1998	38,390	22,923	61,313
1999	36,385		36,385
2000	34,620		34,620
2001	37,631		37,631
2002-2005	351,376		351,376
2007-2011	287,990		287,990
2012-2015	246,890		246,890
Totals	\$1,886,472	\$45,651	\$1,932,123

At December 31, 1997:

Maturity	General Obligation Bonds	Certificate of Indebtedness	Total
1998	\$38,390	\$22,923	\$61,313
1999	36,385		36,385
2000	34,620		34,620
2001	37,631		37,631
2002	33,376		33,376
2003-2007	275,890		275,890
2008-2012	281,300		281,300
2013-2015	179,430		179,430
Totals	\$1,819,382	\$22,923	\$1,842,305

**LAFOURCHE PARISH FIRE PROTECTION
DISTRICT NO. 1
RACELAND, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 9

Liab. Management

The District is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors and omissions; and injuries to the public; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.



STAGNI & COMPANY, LLC

**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
Lafourche Parish Fire Protection District No. 1
Thibodaux, Louisiana

We have audited the general-purpose financial statements of the Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council for the two years ended December 31, 1996 and 1997 and have issued our report thereon dated February 27, 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 Lafourche Parish Fire Protection District No. 1's 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 those 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 Lafourche Parish Fire Protection District No. 1's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose 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 operation that we consider to be material weaknesses.

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

Sargent & Company, LLC

Thibodaux, Louisiana

February 27, 1998



LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1
Summary Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1996 and 1997

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Lafourche Parish Fire Protection District No. 1 were disclosed during the audit.
4. There was no management letter issued in connection with the audit of the financial statements.

- B.** There were no findings relating to the financial statements that are required to be reported in accordance with GASAS.



LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Management's Corrective Action Plan

For the Years Ended December 31, 1996 and 1997

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS NONE NECESSARY	
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS NOT APPLICABLE	
SECTION III - MANAGEMENT LETTER NONE NECESSARY	