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ACADIA PARISH FIRE PROTECTION DISTRICT

FINANCIAL REPORT

DECEMBER 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/15/98

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INDEPENDENT ACCOUNTANT'S REPORT

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The Board of Commissioners
Acadia Parish Fire Protection District No. 2
Egan, Louisiana

We have compiled the accompanying general purpose financial statements of Acadia Parish Fire Protection District No. 2, a component unit of the Acadia Parish Police Jury, as of and for the year ended December 31, 1997, as listed in the table of contents. The financial statements were compiled in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting information that is the representation of the Board in the form of financial statements. We have not audited or reviewed the accompanying financial statements and, accordingly, we do not express an opinion or any other form of assurance on them.

BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

Lawrence A. Cramer, CPA*
Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemoine II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Babineaux, CPA*
Peter C. Borrello, CPA*
Michael P. Crochet, CPA*
George J. Trappey III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*

Crowley, Louisiana
May 17, 1998

Retired:

Sidney L. Broussard, CPA 1980
Leon K. Poche, CPA 1984
James H. BreauX, CPA 1987
Erma R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberly, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1997

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Certified Public Accountants
Society of Louisiana Certified
Public Accountants*

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 2
ACADIA PARISH POLICE JURY

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1997
See Accountant's Compilation Report

ASSETS	Governmental Funds		Account Groups		Total (Memorandum Only)
	General Fund	Debt Service Fund	General Fixed Assets	General Long-Term Debt	
Cash	\$ 1,449	\$ 105	\$ -	\$ -	\$ 1,554
Property taxes receivable	29,796	-	-	-	29,796
Land	-	-	5,500	-	5,500
Building	-	-	65,150	-	65,150
Equipment	-	-	245,849	-	245,849
Amount available in debt service fund	-	-	-	10	10
Amount to be provided for retirement of long-term debt	-	-	-	153,294	153,294
Total assets	\$ 31,245	\$ 105	\$316,499	\$153,304	\$501,153
LIABILITIES AND FUND EQUITY					
Liabilities:					
Deduction from ad valorem	\$ 930	\$ -	\$ -	\$ -	\$ 930
Accrued interest payable	-	95	-	-	95
Certificates of indebtedness payable	-	-	-	153,304	153,304
Total liabilities	\$ 930	\$ 95	\$ -	\$153,304	\$154,329
Fund equity:					
Investment in general fixed assets	\$ -	\$ -	\$316,499	\$ -	\$316,499
Fund balances:					
Reserved for debt service	-	10	-	-	10
Unreserved - undesignated	30,315	-	-	-	30,315
Total fund equity	\$ 30,315	\$ 10	\$316,499	\$ -	\$346,824
Total liabilities and fund equity	\$ 31,245	\$ 105	\$316,499	\$153,304	\$501,153

See Notes to Financial Statements.

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 2
ACADIA PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 1997
See Accountant's Compilation Report

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total (Memorandum Only)</u>
Revenues:			
Taxes:			
Ad valorem	\$ 28,866	\$ -	\$ 28,866
Intergovernmental:			
Appropriation from police jury	3,184	-	3,184
Grant income	25,488	-	25,488
Interest	599	-	599
Other	<u>1,920</u>	<u>-</u>	<u>1,920</u>
Total revenues	<u>\$ 60,057</u>	<u>\$ -</u>	<u>\$ 60,057</u>
Expenditures:			
Current:			
Public safety	\$ 15,032	\$ -	\$ 15,032
Capital outlay	125,835	-	125,835
Debt service:			
Principal	-	46,745	46,745
Interest	<u>-</u>	<u>7,097</u>	<u>7,097</u>
Total expenditures	<u>\$ 140,867</u>	<u>\$ 53,842</u>	<u>\$ 194,709</u>
Deficiency of revenues over expenditures	<u>\$ (80,810)</u>	<u>\$ (53,842)</u>	<u>\$ (134,652)</u>
Other financing sources (uses):			
Proceeds from bonds	\$ 130,000	\$ -	\$ 130,000
Transfer from other funds	-	53,842	53,842
Transfer to other funds	<u>(53,842)</u>	<u>-</u>	<u>(53,842)</u>
Total other financing sources (uses)	<u>\$ 76,158</u>	<u>\$ 53,842</u>	<u>\$ 130,000</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	<u>\$ (4,652)</u>	<u>\$ -</u>	<u>\$ (4,652)</u>
Fund balance, beginning	<u>34,967</u>	<u>10</u>	<u>34,977</u>
Fund balance, ending	<u>\$ 30,315</u>	<u>\$ 10</u>	<u>\$ 30,325</u>

See Notes to Financial Statements.

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 2
ACADIA PARISH POLICE JURY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES -
GENERAL FUND

Year Ended December 31, 1997
See Accountant's Compilation Report

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes:			
Ad valorem	\$ 29,491	\$ 28,866	\$ (625)
Intergovernmental:			
Appropriation from police jury	3,184	3,184	-
Grant income	25,488	25,488	-
Interest	495	599	104
Other	<u>1,920</u>	<u>1,920</u>	<u>-</u>
Total revenues	<u>\$ 60,578</u>	<u>\$ 60,057</u>	<u>\$ (521)</u>
Expenditures:			
Current:			
Public safety:			
Insurance	\$ 5,400	\$ 5,450	\$ (50)
Utilities	1,000	1,006	(6)
Repairs and fuel	1,000	1,009	(9)
Other	7,567	7,567	-
Capital outlay	<u>125,800</u>	<u>125,835</u>	<u>(35)</u>
Total expenditures	<u>\$ 140,767</u>	<u>\$ 140,867</u>	<u>\$ (100)</u>
Deficiency of revenues over expenditures	<u>\$ (80,189)</u>	<u>\$ (80,810)</u>	<u>\$ (621)</u>
Other financing sources (uses):			
Proceeds from bonds	\$ 130,000	\$ 130,000	\$ -
Transfer to other funds	<u>(53,842)</u>	<u>(53,842)</u>	<u>-</u>
	<u>\$ 76,158</u>	<u>\$ 76,158</u>	<u>\$ -</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	<u>\$ (4,031)</u>	<u>\$ (4,652)</u>	<u>\$ (621)</u>
Fund balance, beginning	<u>34,967</u>	<u>34,967</u>	<u>-</u>
Fund balance, ending	<u>\$ 30,936</u>	<u>\$ 30,315</u>	<u>\$ (621)</u>

See Notes to Financial Statements.

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 2
ACADIA PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

Acadia Parish Fire Protection District No. 2, a component unit of the Acadia Parish Police Jury, was created by the Acadia Parish Police Jury as authorized by Louisiana Revised Statute 40:1496. The ordinance creating this fire protection district was dated December 13, 1988, and is governed by a five-member board of commissioners, appointed by the Police Jury, who are authorized to construct, maintain, and improve the system of fire protection within the district.

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. All GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the Police Jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the Police Jury appoints the governing board and can influence the scope of public service, the District was determined to be a component unit of the Acadia Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying general purpose financial statements present information only on the funds maintained by the District and do not present information on the parish police jury, the general government services provided by the governmental unit, or the other governmental units that comprise the governmental reporting entity.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Fund accounting:

The District is organized on the basis of two funds (general fund and debt service fund) and account groups, each of which is considered a separate accounting entity. The operations of the general fund and debt service fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. The general fund is the general operating fund of the District and accounts for all of its activities, except those required to be accounted for in the debt service fund. The debt service fund accounts for the accumulation of resources for the payment of general long-term debt principal and interest. The District does not employ encumbrance accounting.

General fixed assets and long-term obligations:

Fixed assets are accounted for in the general fixed assets account group, rather than in the general fund. Public domain or infrastructures are not capitalized. All fixed assets are valued at historical cost. No depreciation has been provided on fixed assets.

Long-term obligations are accounted for in the general long-term debt account group, not in the general fund. The two account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

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. The District's accounts are reported on the modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues:

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent by December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Expenditures:

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

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Budget practices:

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Secretary-Treasurer submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Due to the fact that expenditures do not exceed \$250,000, it is not necessary to have a public hearing.
3. The budget is then legally enacted through passage of an ordinance.
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All budget appropriations lapse at year-end. Expenditures may not legally exceed budgeted appropriations by more than five percent at the individual fund level. The budget presented in the financial statements is as amended by the Board in open meeting.

Cash and investments:

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. At December 31, 1997, the District has cash (book balances) in interest bearing demand deposits totaling \$1,454.

Under state law, these deposits (or the resulting bank balances) must be secured by federal insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Deposits (bank balances) at December 31, 1997 are fully secured by federal deposit insurance.

Total columns on combined financial statements:

The total columns on the combined financial statements are captioned Memorandum Only (overview) to indicate it is presented only to facilitate financial analysis. The data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 2. Levied Taxes

The following is a summary of levied ad valorem taxes:

General corporate purposes	<u>7.05</u>
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Note 3. Changes in General Fixed Assets

The following is a summary of changes in general fixed assets for the year ending December 31, 1997:

	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>Total</u>
Balance, December 31, 1996	\$ 5,500	\$ 65,150	\$120,085	\$190,735
Additions	-	-	125,764	125,764
Reductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 1997	<u>\$ 5,500</u>	<u>\$ 65,150</u>	<u>\$245,849</u>	<u>\$316,499</u>

Note 4. Board of Commissioners

The Board has elected not to receive any compensation. The board members at December 31, 1997 include:

Walter Truax
Jeff Murrell
Guy Cuccio

Lloyd Dailey
Mark Faul

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 5. Changes in Long-Term Debt

The following is a summary of long-term obligations for the District for the year ended December 31, 1997:

Balance, January 1, 1997	\$ 70,049
Issuance of debt	130,000
Reductions	<u>(46,745)</u>
Balance, December 31, 1997	<u>\$153,304</u>

The current year reduction includes the regularly scheduled annual principal payment of \$21,588 and the prepayment for the calling of the bond payment due February 1999 of \$25,157.

Certificates of indebtedness payable at December 31, 1997 is composed of the following individual issues:

\$170,000 Certificate of indebtedness, Series 1990, issued February 6, 1990, due in annual installments of \$27,157 through February 1, 1998; interest at 7.95%	\$ 23,304
\$130,000 Certificate of indebtedness, Series 1997, issued November 1, 1997, due in annual installments of \$5,688 to \$18,515 through March 1, 2007, interest at 5.25%	<u>130,000</u>
	<u>\$153,304</u>

Under the terms of the certificates of indebtedness resolutions, the certificates are secured by and payable solely from a pledge and dedication of excess annual revenues above statutory, necessary and usual charges in the fiscal years ending December 31, 1994 to 2006.

The annual requirements to amortize all bonds outstanding at December 31, 1997 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998	\$ 23,304	\$ 9,541	\$ 32,845
1999	12,000	6,510	18,510
2000	12,000	5,880	17,880
2001	13,000	5,224	18,224
2002	14,000	4,515	18,515
2003 - Thereafter	<u>79,000</u>	<u>10,788</u>	<u>89,788</u>
	<u>\$153,304</u>	<u>\$ 42,458</u>	<u>\$195,762</u>



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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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The Board of Commissioners
Acadia Parish Fire Protection District No. 2
Egan, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Acadia Parish Fire Protection District No. 2 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 1997 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below 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 the year for material and supplies exceeding \$5,000 (or \$7,500 after August 15, 1997), or public works exceeding \$50,000 (or \$100,000 after August 15, 1997), and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

The District purchased a fire truck at a cost of \$124,318. We examined documentation which indicated that this expenditure had been properly advertised and accepted in accordance with the provisions of LSA-R.S. 38:2211-2251.

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 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

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Society of Louisiana Certified
Public Accountants

The Board of Commissioners
Acadia Parish Fire Protection District No. 2

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

The District does not have any employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

As stated above, the District does not have any employees.

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and a copy of the amended budget.

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

We traced the adoption of the original budget and the approval of the amended budget to the minutes of meetings held on December 23, 1996 and December 22, 1997, respectively, which indicated the Board's approval.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

The Board of Commissioners
Acadia Parish Fire Protection District No. 2

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building; management has asserted that proper notice was posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We scanned copies of bank deposit slips for the period under examination and noted a deposit which represented proceeds from the issuance of certificates of indebtedness. The proceeds of \$130,000 are included in the general fund.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year did not reveal any such payments. We also inspected payroll records for the year and did not note any instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments and indicate the extent to which such matters have been resolved.

The report from the prior year did not have any suggestions, recommendations, and/or comments.

The Board of Commissioners
Acadia Parish Fire Protection District No. 2

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Acadia Parish Fire Protection District No. 2 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.

BROUSSARD, PICHÉ, LEWIS ? BREUX, L.L.P.

Crowley, Louisiana
May 17, 1998

LOUISIANA ATTESTATION QUESTIONNAIRE

JANUARY 26, 1998 Date

Broussard, Poche', Lewis & Breaux
P.O. Drawer 307
Crowley, LA 70527-0307
(Auditors)

In connection with your compilation of our financial statements as of December 31, 1997 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of January 26, 1998 (date).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.
Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.
Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.
Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Walter Truax Secretary Jan 26, 1998 Date
Walter Truax Treasurer Jan 26, 1998 Date
J. Henry J. Murrell President JAN 26, 1998 Date