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LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

LOCKPORT, LOUISIANA

FINANCIAL REPORT

December 31, 1998

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 JUN 02 1999

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*Ann T. Hebert*

Certified Public Accountant  
901 Ridgefield Road  
Thibodaux, Louisiana

(504) 446-0994

To the Board  
Lafourche Parish Fire Protection District No. 2  
Lockport, Louisiana

I have compiled the accompanying component unit financial statements of Lafourche Parish Fire Protection District No. 2 (the District), a component unit of the Lafourche Parish Council, as of December 31, 1998, and for the year then ended, 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 in the form of financial statements information that is the *representation of the Board*. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Audit Guide and the provisions of state law, I have issued a report dated March 25, 1999, on the results of our agreed-upon procedures.

Respectfully submitted,

*Ann T. Hebert*

Ann T. Hebert  
Certified Public Accountant

March 25, 1999

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

COMBINED BALANCE SHEET -  
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP  
December 31, 1998

	Governmental Fund Type General	Account Group General Fixed Assets	Total (Memorandum Only) December 31, 1998
ASSETS			
Cash	\$ 140,414	\$ -	\$ 140,414
Receivables - Ad valorem taxes	8,314	-	8,314
Due from other governmental units	95,080	-	95,080
General fixed assets	-	853,591	853,591
Total assets	<u>\$ 243,808</u>	<u>\$ 853,591</u>	<u>\$ 1,097,399</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	\$ 1,697	\$ -	\$ 1,697
Fund equity:			
Investment in general fixed assets	-	853,591	853,591
Fund balance - Unreserved	242,111	-	242,111
Total fund equity	<u>242,111</u>	<u>853,591</u>	<u>1,095,702</u>
Total liabilities and fund equity	<u>\$ 243,808</u>	<u>\$ 853,591</u>	<u>\$ 1,097,399</u>

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GENERAL FUND

For the twelve month period ended December 31, 1998

Revenues:	
Taxes - ad valorem	\$ 97,628
Intergovernmental -	
State of Louisiana:	
Revenue sharing	9,728
Insurance rebate	14,999
Use of money and property -	
Interest earned	4,593
Other	9,510
	<hr/>
Total revenues	136,458
	<hr/>
Expenditures:	
General government -	
Intergovernmental	
Ad valorem tax deductions	<hr/>
Public safety -	
Operating services	62,314
Material and supplies	5,518
Capital outlay	7,800
	<hr/>
Total public safety	75,632
	<hr/>
Total expenditures	75,632
	<hr/>
Excess (deficiency) revenues over expenditures	60,826
Fund balance, beginning	181,285
	<hr/>
Fund balance, ending	\$ 242,111
	<hr/>

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND  
For the twelve month period ended December 31, 1998

	Budget	Actual	Variance- favorable (unfavorable)
Revenues:			
Taxes - ad valorem	\$ 96,250	\$ 97,628	\$ 1,378
Intergovernmental - State of Louisiana:			
Revenue sharing	9,772	9,728	(44)
Insurance rebate	15,000	14,999	(1)
Use of money and property -			
Interest earned	4,656	4,593	(63)
Other	6,011	9,510	3,499
Total revenues	<u>131,689</u>	<u>136,458</u>	<u>4,769</u>
Expenditures:			
General government - Intergovernmental			
Ad valorem tax deductions	<u>3,100</u>	<u>-</u>	<u>3,100</u>
Public safety -			
Operating services	61,760	62,314	(554)
Material and supplies	5,410	5,518	(108)
Capital outlay	<u>7,800</u>	<u>7,800</u>	<u>-</u>
Total public safety	<u>74,970</u>	<u>75,632</u>	<u>(662)</u>
Total expenditures	<u>78,070</u>	<u>75,632</u>	<u>2,438</u>
Excess (deficiency) revenues over expenditures	53,619	60,826	7,207
Fund balance, beginning	<u>181,285</u>	<u>181,285</u>	<u>-</u>
Fund balance, ending	<u>\$ 234,904</u>	<u>\$ 242,111</u>	<u>\$ 7,207</u>

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS  
December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Lafourche Parish Fire Protection District No. 2 (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:

The District is a component unit of the Lafourche Parish Council.

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 government 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 most 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 all financial resources except those that are required to be accounted for in another fund.

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.



LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS  
December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

c. Basis of Accounting: - Continued

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 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. General 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) general 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 by the District. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

e. Operating Budgetary Data:

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General fund for the year ending December 31, 1998. The Board, as allowed by the 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. 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.



LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS  
December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 General Fund.

g. Vacation and Sick Leave:

The District has no full-time employees. There is no accumulated unpaid vacation at December 31, 1998.

h. Encumbrances:

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

i. Total Column on Combined Statements - Overview:

The total column on the combined statements - overview is captioned memorandum only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or 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 aggregation of this data.

NOTE 2 - CASH

State laws authorize all political subdivisions to invest in the following:

Direct U. S. Treasury obligations.

Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the U. S.

Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by U. S. government instrumentalities, which are federally sponsored.

Direct security repurchase agreements of any federal book entry only securities enumerated in above paragraphs.

Time certificates of deposit of state banks organized under the laws of Louisiana, or national

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS  
December 31, 1998

NOTE 2 - CASH - Continued

banks having their principal offices in the state of Louisiana.

Mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U. S. government or its agencies.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC/FSLIC 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 trust company for the accounts of the political subdivision.

The District's cash at December 31, 1998, consists of the following:

Cash	
Checking accounts	\$ 2,170
Money market accounts	56,149
Certificates of Deposit	<u>82,095</u>
	<u>\$ 140,414</u>

The District invested in interest earning cash accounts during the year. At December 31, 1998, the District's cash accounts were not in excess of the FDIC/FSLIC insurance.

NOTE 3 - PROPERTY TAXES

Property 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. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 1995. 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, 1998 was \$5.24 per \$1,000 of assessed valuation of property of maintaining and operating the facilities and programs within the District.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS  
December 31, 1998

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1998 consisted of the following:

State of Louisiana		
State revenue sharing	\$	9,728
Lafourche Parish Tax Collector -		
December, 1998 collections		
remitted to the District in		
January, 1999		<u>85,352</u>
Total	\$	<u>95,080</u>

NOTE 5 - GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1998	Additions	Deletions	Balance December 31, 1998
Buildings	\$ 4,899	\$ -	\$ -	\$ 4,899
Office furniture, fixtures and equipment	<u>875,892</u>	<u>7,800</u>	<u>35,000</u>	<u>848,692</u>
Total	<u>\$ 880,791</u>	<u>\$ 7,800</u>	<u>\$ 35,000</u>	<u>\$ 853,591</u>

NOTE 6 - COMPENSATION OF BOARD MEMBERS

The District did not pay per diem to any of its Board Members during the year ended December 31, 1998.

*Ann J. Hebert*

Certified Public Accountant  
901 Ridgefield Road  
Thibodaux, Louisiana

(504) 446-0994

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Board  
Lafourche Parish Fire Protection District No. 2  
P. O. Box 337  
Lockport, LA 70374

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the Board of the Lafourche Parish Fire Protection District No. 2 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating the Board's assertions about the Lafourche Parish Fire Protection District No. 2's compliance with certain laws and regulations during the twelve months ended December 31, 1998 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, I 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 \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year subject to the public bid law.

Code of Ethics for Public Officials and Public Employees

2. This procedure was not applicable for the twelve months ended December 31, 1998 since Lafourche Parish Fire Protection District No. 2 had no employees.

Budgeting

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

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

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

I traced the adoption of the original budget to the minutes of a meeting held on December 15, 1997 which indicated that the budget had been accepted by the Board of the Lafourche Parish Fire Protection District No. 2 by unanimous consent. The amendments were made to the budget and approved on November 16, 1998.

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

I 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

6. Randomly select 6 disbursements made during the period under examination and:

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

I 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.

- (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

7. 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 Board asserts that it was unaware of the open meetings law. They will begin posting and advertising agendas as required by LSA.RD 42:1.

#### Debt

8. 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.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.



Advances and Bonuses

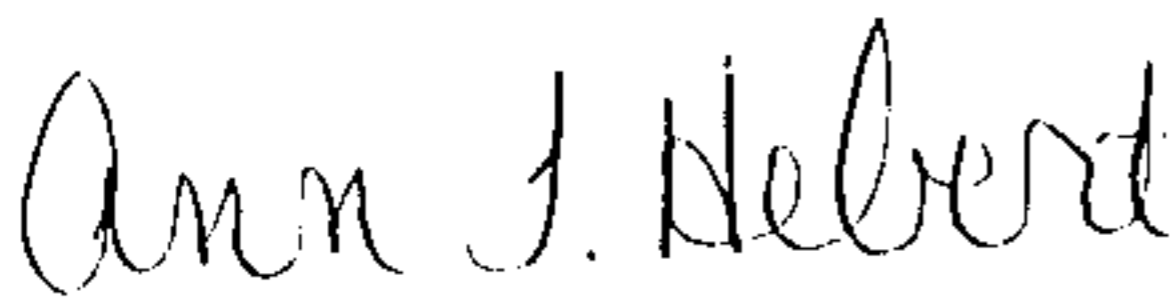
9. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

This procedure was not applicable for the twelve months ended December 31, 1998 since Lafourche Parish Fire Protection District No. 2 had no employees.

Our prior year report, dated May 11, 1998, did not include any comments or unresolved matters.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of any 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 the Board of the Lafourche 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.



Ann T. Hebert  
Certified Public Accountant

March 25, 1999

**LOUISIANA ATTESTATION QUESTIONNAIRE**

March 15, 1999 Date

Ann T. Hebert

Certified Public Accountant

901 Ridgefield Road

Thibodaux, LA 70301

(Auditors)

In connection with your compilation of our financial statements as of December 31, 1998 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 December 31, 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 [ x ] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [ ] No [ x ]

**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 [ x ] 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 [ x ] 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 will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

<u>Gerard Leonard</u>	Secretary	<u>March 15, 1999</u>	Date
<u>Gerard Leonard</u>	Treasurer	<u>March 15, 1999</u>	Date
<u>Cyril R. Sarney</u>	President	<u>March 15, 1999</u>	Date

Lafourche Parish Fire Protection District No. 2  
Lockport, Louisiana 70374

Resolution

**BE IT RESOLVED**, by the Board of Commissioners of Lafourche Parish Fire Protection District No. 2, in accordance with the Louisiana Revised Statute 24:513 (1) (1) (c) (I), the Louisiana Attestation Questionnaire as a required part of the compilation and attestation engagement for the year ending December 31, 1998, be adopted as presented to the Board of Commissioners.

This resolution having been put to a vote, the vote thereon was as follows:

**YEAS:** Eugene G. Gouaux, Jr., Richard Hebert, and Ernest Vedros

**NAYS:** none

**ABSTAINED:** none

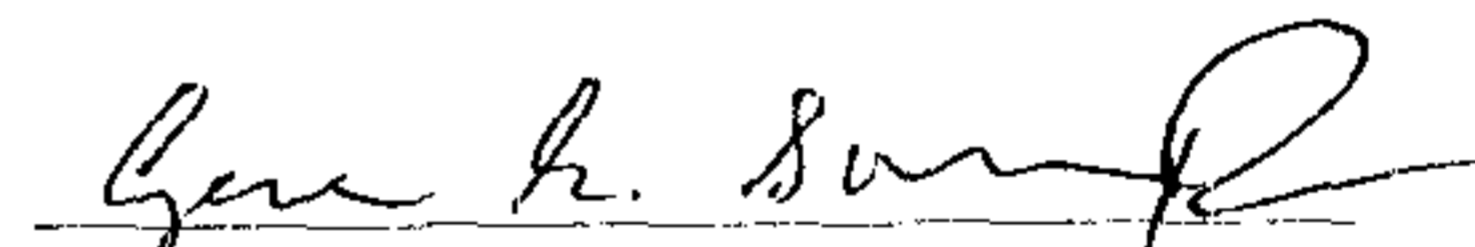
**ABSENT:** Frank Daviet, Valcour Rodrigue

**CERTIFICATE**

I hereby certify that the foregoing is a true and exact copy of a resolution adopted at a regular board meeting held on March 15, 1999, at which time a quorum was present and voting.

Lockport, Louisiana, this 15th day of March, 1999.

  
Gerard C. Leonard, Secretary

  
Eugene G. Gouaux, Jr., Chairman

**Lafourche Parish Fire Protection District No. 2**

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Management's Corrective Action Plan  
Current Year  
December 31, 1998

**Condition**

As of December 31, 1998, we were not aware of the open meetings laws.

**Management's Response**

We will begin posting and advertising agendas as required by LSA.RD 42:1.