

**LAFOURCHE PARISH**  
**Fire Protection District No. 6**

**COMPILED FINANCIAL STATEMENTS AND  
AGREED-UPON PROCEDURES REPORT**

**AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9.8.04



**STAGNI & COMPANY, LLC**

**LAFOURCHE PARISH**  
**Fire Protection District No. 6**  
*As of and for the Year Ended December 31, 2003*

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**Lafourche Parish Fire Protection District No. 6**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2003*

This discussion and analysis of the Lafourche Parish Fire Protection District No. 6 financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2003.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations liabilities exceeded assets by \$ 52,307 (net assets).
- Total net assets are comprised of the following:
  - (1) Invested in capital assets of \$(129,408) including the cost of stations, trucks and equipment, net of accumulated depreciation and net of related debt.
  - (2) Restricted for debt service of \$42,663.
  - (3) Unrestricted net assets of \$34,438 representing the portion available to maintain the continuing obligations to citizens and creditors.
- Total spending for all public safety activities was \$134,430 for the year, which was \$112,150 more than the program revenues for these activities - \$22,280.
- The general revenues of ad valorem taxes used to offset the deficit for program expenditures totaled \$168,215 for the year.
- The governmental funds reported total ending fund balance of \$77,101, of which \$34,438 was considered unreserved and \$42,663 was reserved for debt service. This compares to the prior year ending fund balance - of \$52,085, showing an increase of \$25,016 during the current year.
- Total revenue reported for all governmental funds was \$190,495. Total expenditures were \$165,479, including \$117,785 of current expenditures and \$47,694 of debt service expenditures. This resulted in an excess of revenue over expenditures for the year of \$25,016.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report, located immediately following this MD&A, that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report

***Lafourche Parish Fire Protection District No. 6***  
***MANAGEMENT'S DISCUSSION AND ANALYSIS***  
***For the Year Ended December 31, 2003***

carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

***Government-Wide Financial Statements***

One of the most important questions asked about finances is, "Is the Lafourche Parish Fire Protection District No. 6 as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the overall health of the Lafourche Parish Fire Protection District No. 6.

***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws. The Lafourche Parish Fire Protection District No. 6 utilizes mainly the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

***FINANCIAL ANALYSIS AS A WHOLE (GWFS)***

Net assets increased by \$56,065 as a result of this year's operations, which indicates that the overall financial position improved during the year. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the increase this year. The balance in net assets represents the accumulated results of all past years' operations. Total revenues generated by

**Lafourche Parish Fire Protection District No. 6**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2003*

governmental activities for the year were \$190,495 (\$22,280 in program revenues and \$168,215 in general revenues). The total cost of all fire protection programs and services was \$134,430.

***FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)***

The Lafourche Parish Fire Protection District No. 6 uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The governmental funds reported a combined fund balance of \$77,101. This reflects an increase of \$25,016 from last year. This increase is primarily the result of the events and programs described within the analysis of the governmental activities.

***GENERAL FUND BUDGETARY HIGHLIGHTS***

There were no amendments to the original budget for the General Fund during the year.

***CAPITAL ASSETS***

Capital assets, net of accumulated depreciation, for governmental activities at year-end was \$410,592. This year there were no additions or deletions to capital assets. Depreciation expense of \$31,049 was recorded on capital assets. More detailed information about the capital assets is presented in Note 6 to the financial statements.

***LONG-TERM DEBT***

At year-end, the Lafourche Parish Fire Protection District No. 6 had \$540,000 in general obligations bonds outstanding – a decrease of 4% over last year. The Lafourche Parish Fire Protection District No. 6 does not plan on issuing any more new debt to finance major capital improvements, but will be reviewing bond market conditions for financing future year capital expenditures. More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

**Lafourche Parish Fire Protection District No. 6**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 36, 2003*

***ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES***

Highlights of next year's adopted budget for the general fund include:

Projected Beginning Balance	\$0
Anticipated Income for 2004	88,000
Anticipated Expenditures for 2004	(88,000)
<b>Excess Expenditures over Revenues</b>	<b>0</b>
Projected Ending Balance	\$0

***CONTACTING FINANCIAL MANAGEMENT***

This financial report is designed to provide a general overview of the Lafourche Parish Fire Protection District No. 6 finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Terry Albert, Board Treasurer  
P.O. Box 792  
Thibodaux, LA 70301  
985-446-3500

***FINANCIAL SECTION***



# STAGNI & COMPANY, LLC

To the Board of Commissioners  
Lafourche Parish Fire Protection District No. 6  
Raceland, Louisiana

We have compiled the accompanying basic financial statements of the Lafourche Parish Fire Protection District No. 6, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2003 and the Management's Discussion and Analysis and Required Supplementary Information as listed in the financial section of the table of contents, 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 and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying basic financial statements or supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

*Stagni & Company*

Thibodaux, Louisiana  
June 7, 2004



**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6**

Statement of Net Assets

December 31, 2003

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 77,101
Taxes Receivable	19,083
Due from other governments	159,162
Capital assets, net of depreciation	410,592
Total assets	<u>665,938</u>

**LIABILITIES**

Current liabilities:

Deferred Revenues	178,245
Bonds Payable - Current	25,000
Total current liabilities	<u>203,245</u>

Bonds Payable -long term	515,000
Total long term liabilities	<u>515,000</u>
Total Liabilities	<u>718,245</u>

**NET ASSETS**

Invested in capital assets, net of related debt	(129,408)
Restricted for:	
Debt Service	42,663
Unrestricted	34,438
Total net assets	<u>\$ (52,307)</u>

See notes to the financial statements and accountant's report.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6**

Statement of Activities

For the Year Ended December 31, 2003

	<u>Program Revenues</u>		Net (Expense) Revenue
	<u>Expenses</u>	<u>Charges for Services</u>	
Governmental activities:			
General government - Recreation	\$ 134,430	\$ 2	\$ (112,150)
Total governmental activities:			<u>(112,150)</u>
General revenues:			
Ad Valorem Taxes			168,215
Total general revenues			<u>168,215</u>
Change in net assets			<u>56,065</u>
Net assets - beginning			<u>(108,372)</u>
Net assets - ending			<u>\$ (52,307)</u>

See notes to the financial statements and accountant's report.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6**

Balance Sheet - Governmental Funds

December 31, 2003

	<u>General</u>	<u>Sinking Fund</u>	<u>Totals Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 34,438	\$ 42,663	\$ 77,101
Taxes receivable	10,685	8,398	19,083
Due from other governments	89,131	70,031	159,162
Total assets	<u>\$ 134,254</u>	<u>\$ 121,092</u>	<u>\$ 255,346</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Deferred revenue	\$ 99,816	\$ 78,429	\$ 178,245
Total liabilities	<u>99,816</u>	<u>78,429</u>	<u>178,245</u>
<b>FUND BALANCES</b>			
Reserved-reported in:			
Debt service		42,663	42,663
Unreserved-reported in:			
General Fund	34,438		34,438
Total fund balances	<u>34,438</u>	<u>42,663</u>	<u>77,101</u>
Total liabilities, equity, and other credits	<u>\$ 134,254</u>	<u>\$ 121,092</u>	

Capital assets used in governmental activities are not financial resources  
and therefore are not reported in the funds. 410,592

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	Current	(25,000)	
	Long-term	<u>(515,000)</u>	
			(540,000)
			<u>\$ (52,307)</u>

See notes to the financial statements and accountant's report.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds

For the Year Ending December 31, 2003

	<u>General</u>	<u>Sinking Fund</u>	<u>Total Governmenta Funds</u>
<b>REVENUES</b>			
Ad Valorem Taxes		\$ 168,215	\$ 168,215
Insurance Rebate	\$ 22,278		22,278
Charges- Other	2		2
Total Revenues	<u>22,280</u>	<u>168,215</u>	<u>190,495</u>
<b>EXPENDITURES</b>			
General government - current:			
St. John Volunteer Fire Department	22,278	94,192	116,470
Publications	239		239
Professional Services	1,000		1,000
Operating Expenditures	76		76
Total current expenditures	<u>23,593</u>	<u>94,192</u>	<u>117,785</u>
Capital expenditures			
Debt service:			
Principal retirement		20,000	20,000
Interest and fiscal charges		27,694	27,694
Total debt service		<u>47,694</u>	<u>47,694</u>
Total expenditures	<u>23,593</u>	<u>141,886</u>	<u>165,479</u>
Excess (deficiencies) of revenues over expenditures	(1,313)	26,329	25,016
<b>FUND BALANCES</b>			
Beginning of year	35,751	16,334	52,085
Ending of year	<u>\$ 34,438</u>	<u>\$ 42,663</u>	<u>\$ 77,101</u>

Net change in fund balances - total governmental funds from above: \$ 25,016

Amounts reported for governmental activities in the statement of activities (government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund. Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.

Capital Asset purchases capitalized	\$ -	
Depreciation expense		31,049
		<u>31,049</u>

Repayment of long-term debt is reported as an expenditure in governmental funds but the repayment reduces long-term liabilities in the statement of net assets.

In the current year, these amounts consist of:

Bond principal retirement	<u>20,000</u>	<u>20,000</u>
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Change in net assets of governmental activities \$ 56,065

See notes to the financial statements and accountant's report.

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2003

The Lafourche Parish Fire Protection District No. 6 (the District) operates under provisions of the Louisiana Revised Statutes and local ordinances established by the Lafourche Parish Council. The District provides the facilities, equipment, program, and finances to conduct recreational activities throughout the year. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statues 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. 6 (the District) conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, issued in June 1999.

The following is a summary of certain significant accounting policies:

**A.**        Reporting Entity

As the governing authority of the parish, for reporting purposes, the Lafourche Parish Council is the financial reporting entity for Lafourche Parish. The Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Lafourche Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Based on criterion applied, the District is a component unit of the Lafourche Parish Council. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Lafourche Parish Council, the general government services provided by the Council, or the other governmental units that comprise the financial reporting entity.

**B.**        Basic Financial Statements – Basis of Presentation

**Government-Wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds).

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2003

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

**B.**      **Basic Financial Statements – Basis of Presentation (continued)**

**Government-Wide and Fund Financial Statements (continued)**

Both the government-wide and fund financial statements categorize primary activities as governmental type activities. All of the District's administrative services are classified as governmental activities.

In the government-wide Statement of Net Assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and activities. These functions are also supported by general government revenues (interest earned.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (interest earned, etc). This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

**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.

***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 Governmental Funds of the District are as follows:

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2003

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

**Fund Accounting (Continued)**

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.

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.

**C.      Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Ad valorem taxes are considered susceptible to accrual. Interest income is recorded when received by the District. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**D.      Budgets**

The District complies with the "Louisiana Local Government Budget Act" and henceforth, budgets are adopted for its governmental funds on a modified accrual basis that is consistent with generally accepted accounting principles.

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2003**

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

**D.      Budget (Continued)**

Annual budgets are prepared by the Secretary/Treasurer of the Board along with a budget message and presented to the Board for adoption no later than 15 days prior to the beginning of the fiscal year. Budgets are adopted for the fiscal year and lapse at a year-end. The budget is amended by supplemental appropriations as needed to during the year to comply with state law.

**E.      Cash**

Cash includes amounts in demand deposits, interest-bearing deposits, and money market accounts. 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. Investments are stated at cost.

State law also requires 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 for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

**F.      Capital Assets**

Capital assets, which include land, improvements, stations and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is not material and therefore not included as part of the capitalized value of the assets constructed.



**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2003

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

**F.      Capital Assets (Continued)**

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<b>CATEGORY</b>	<b>LIFE</b>
BUILDINGS	20 YEARS
TRUCKS	20 YEARS
EQUIPMENT	5 YEARS

**G.      Long Term Debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**I.      Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or legally segregated by outside parties for a specific future use.

**J.      Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2003

**Note 2        CASH**

At December 31, 2003, the District has book balances of \$77,101 and bank balances (all deposits) of \$77,101. 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 deposits are secured from risk by federal deposit insurance.

Even though the pledged securities are considered uncollateralized (Category 3) 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 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**Note 3        AD VALOREM 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 moveable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at the 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, 2000. 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, 2003 was 5.09 mills assessed valuation on property within Lafourche Parish Fire Protection District No. 6 for the purpose of maintaining and operating the facilities and programs, and 4.0 mills for the purpose of payment of general long term debt principal, interest, and related costs for the District.

The Lafourche Parish Sheriff's Office collects the taxes levied and remits the taxes collected to the District. The District uses the revenue from ad valorem taxes collected to finance the next year's operations; therefore all taxes levied are recognized as deferred in the current year's financial statements.

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2003

**Note 4      COMPENSATION OF BOARD MEMBERS**

No compensation was paid to Board Members during the year ended December 31, 2003.

**Note 5      DUE FROM OTHER GOVERNMENTAL UNITS**

The amounts due from other governmental units consisted of December ad valorem tax collections due from the Lafourche Parish Sheriff to be remitted to the District in January.

**Note 6      CAPITAL ASSETS**

Capital assets and depreciation activity for the year is as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$22,298			\$22,298
Capital assets being depreciated				
Stations	120,845			120,845
Trucks	371,302			371,302
Equipment	46,602			46,602
Total being depreciated	\$538,749			\$538,749
Total Assets	\$561,047			\$561,047

Less accumulated depreciation:

Stations	\$39,291	\$3,929		\$43,220
Trucks	66,232	22,078		88,310
Equipment	13,883	5,042		18,925
Totals	\$119,406	\$31,049		\$150,455
Capital assets, net	\$441,641			\$410,592

Depreciation expense of \$31,049 for the year was charged to the governmental activities in the Statement of Activities.

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2003

**Note 7      LONG TERM DEBT**

The District had outstanding a General Obligation Bond, Series 1999 bearing interest at a rate of 4.727% payable through May 2019.

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

	Payable 12/31/02	Debt Incurred	Debt Retired	Payable 12/31/03
General Obligations Bonds, Series 1999	\$560,000		\$20,000	\$540,000

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

Maturity	Principal	Interest	Total
2004	\$25,000	\$25,630	\$50,630
2005	25,000	24,093	49,093
2006	25,000	22,674	47,674
2007	25,000	21,467	46,467
2008	30,000	20,277	50,277
2009-2013	160,000	80,702	240,702
2014-2018	205,000	37,362	242,362
2019	45,000	1,103	46,103
<b>Totals</b>	<b>\$540,000</b>	<b>\$233,308</b>	<b>\$773,308</b>

**Note 8      RISK MANAGEMENT**

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

***REQUIRED SUPPLEMENTARY  
INFORMATION***

***AGREED UPON PROCEDURES SECTION***

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6**

Budget Comparison Schedule - General Fund

For the Year Ending December 31, 2003

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Insurance Rebate	\$ 17,000	\$ 17,000	\$22,278	\$ 5,278
Charges - Other	-	-	2	2
Total Revenues	<u>17,000</u>	<u>17,000</u>	<u>22,280</u>	<u>5,280</u>
<b>EXPENDITURES</b>				
General government - current:				
St. John Volunteer Fire Department	22,000	22,000	22,278	(278)
Publications	750	750	239	511
Professional Services	1,000	1,000	1,000	-
Operating Expenditures	200	200	76	124
Total current expenditures	<u>23,950</u>	<u>23,950</u>	<u>23,593</u>	<u>357</u>
Capital Expenditure	-	-	-	-
Total expenditures	<u>23,950</u>	<u>23,950</u>	<u>23,593</u>	<u>357</u>
Excess (deficiencies) of revenues over expenditures	(6,950)	(6,950)	(1,313)	5,637
<b>FUND BALANCES</b>				
Beginning of year	35,751	35,751	35,751	-
Ending of year	<u>\$ 28,801</u>	<u>\$ 28,801</u>	<u>\$34,438</u>	<u>\$ 5,637</u>

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6**

Budget Comparison Schedule - Sinking Fund

For the Year Ending December 31, 2003

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Ad Valorem Taxes	\$ 120,000	\$ 120,000	\$ 168,215	\$ 48,215
Total Revenues	120,000	120,000	168,215	48,215
<b>EXPENDITURES</b>				
General government - current:				
St. John Volunteer Fire Department	62,200	62,200	94,192	(31,992)
Total current	62,200	62,200	94,192	(31,992)
Debt service:				
Principal retirement	20,000	20,000	20,000	-
Interest and fiscal charges	30,000	30,000	27,694	2,306
Total debt service	50,000	50,000	47,694	2,306
Total expenditures	112,200	112,200	141,886	(29,686)
Excess (deficiencies) of revenues over expenditures	7,800	7,800	26,329	18,529
<b>FUND BALANCES</b>				
Beginning of year	-	-	16,334	(16,334)
Ending of year	\$ 7,800	\$ 7,800	\$ 42,663	\$ 34,863





# STAGNI & COMPANY, LLC

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners  
Lafourche Parish Fire Protection District No. 6  
Thibodaux, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Lafourche Parish Fire Protection District No. 6, (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating the management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2003 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.

Our applied procedures, together with any observation or findings, follow:

### ***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 during the year made for materials and supplies exceeding \$15,000. No contracts were entered into for public works exceeding \$100,000.**

### ***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.**

207 LAFAYE AVENUE  
THIBODAUX, LA 70301  
PHONE (985) 447-7226  
FAX (985) 446-3032

11 JAMES BLVD., SUITE 210  
ST. ROSE, LA 70087  
PHONE (504) 468-2258  
FAX (504) 464-1473

20

A PROFESSIONAL SERVICE ORGANIZATION  
MEMBERS: AICPA • LCPA  
EMAIL: [stagni@stagni.com](mailto:stagni@stagni.com)  
INTERNET: <http://www.stagni.com>

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

**There were no employees during the period under examination.**

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.

**There were no employees during the period under examination.**

***Budgeting***

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

**A copy of the legally adopted budget was obtained. There were no amendments for the year.**

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

**We traced the adoption of the 2003 original budget to the minutes of December 3, 2002 that indicated that the Board of Commissioners of the Lafourche Parish Fire Protection District No. 6 had adopted the budget by a unanimous vote.**

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

**Finding 2003-1 In the Debt Service Fund actual expenditures exceeded budgeted expenditures by 26%.**

***Accounting and Reporting***

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

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

**We examined the 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

**Six of the payments were properly coded to the correct fund and general ledger account.**

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

**Each of the six disbursements was traced to the District's minute book where they were approved by the full commission.**

***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 such documents were properly posted in accordance with the open meetings law.**

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

***Advances and Bonuses***

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

**A reading of the minutes of the District for the year indicated no payments so noted.**

Board of Commissioners  
Lafourche Parish Fire Protection District No. 6  
Page 4 of 4

Our prior year report covering the year ended December 31 2002, dated June 9, 2003, included comments which have been resolved and are addressed in the Summary of Prior Year Findings.

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 information of the management 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.

*Stagni & Company*

Thibodaux, Louisiana  
June 7, 2004



**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6**  
**Schedule of Prior Year Findings**  
For the Year Ended December 31, 2002

FINDING:	STATUS:
2002-1 In the General Fund actual expenditures exceeded budgeted expenditures by 12%. In the Debt Service Fund budgeted revenues exceeded actual revenues by 60%.	Partially Resolved. See current year finding #2003-1.

**NOTES TO SCHEDULE:**

This summary schedule includes all prior audit findings and management letter findings.

In the reference number, the first 4 digits are the year that the audit finding related to.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6**

**Corrective Action Plan**

For the Year Ended December 31, 2003

FINDING:	CONTACT PERSON	CORRECTIVE ACTION PLANNED	ANTICIPATED COMPLETION DATE
2003-1 In the Debt Service Fund actual expenditures exceeded budgeted expenditures by 26%.	Terry Albert Board Treasurer 446-2089	More revenue than budgeted was collected from ad valorem taxes therefore allowing more to be transferred to the Volunteer Fire Dept. which caused the unfavorable variance in the expenditures.	Review and correct if necessary the 2003 budget before the end of the year.

**NOTES TO SCHEDULE:**

This schedule includes all current audit findings and management letter comments.

In the reference number, the first 4 digits are the year that the audit finding related to.

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governments)**  
**For the Year Ended December 31, 2003**

**Stagni & Company, LLC**  
**207 Lafaye Ave.**  
**Thibodaux, LA 70301**

In connection with your compilation of our financial statements as of December 31, 2003 and for the year 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.

**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 39:34.

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 39:1410.60-1410.65.

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 that may occur subsequent to the issuance of your report.

<u>Cecilia Johnson</u>	Secretary	<u>5-17-04</u>	Date
<u>D. J. Albert</u>	Treasurer	<u>5-17-04</u>	Date
<u>R. W. Doherty</u>	President	<u>5-17-04</u>	Date