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

**RACELAND, LOUISIANA
PARISH OF LAFOURCHE**

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

**AS OF AND FOR THE TWO YEARS ENDED
DECEMBER 31, 1998 AND 1999**

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 APR 05 2000



STAGNI & COMPANY, LLC

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

*General Purpose Financial Statements
As of and for the Two Years Ended December 31, 1998 and 1999*

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

*General Purpose Financial Statements
As of and for the Two Years Ended December 31, 1998 and 1999*

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FINANCIAL SECTION



STAGNI & COMPANY, LLC

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements of the Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council, as of and for the two years ended December 31, 1998 and 1999, as listed in the financial section of the foregoing table of contents. These general-purpose financial statements are the responsibility of the Lafourche Parish Fire Protection District No. 1's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*; issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lafourche Parish Fire Protection District No. 1 as of December 31, 1996 and 1997, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 14, 2000 on our consideration of the Lafourche Parish Fire Protection District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Stagni & Company

Thibodaux, Louisiana
February 14, 2000

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LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1998

	Governmental Fund Types			Account Groups		Totals (Memorandum Only)
	General	Debt Service	Capital Projects	General Fixed Assets	General Long Term Debt	
<u>ASSETS AND OTHER DEBITS</u>						
Cash and Investments	\$89,757	\$15,678	\$ 180,854			\$286,289
Ad valorem taxes receivable	15,406	9,044				24,450
Due from other governmental units	94,352	55,389				149,741
Deposits	1,020					1,020
General fixed assets				\$2,045,586		2,045,586
Amount available in Debt Service Fund					\$80,111	80,111
Amount to be provided for retirement of general long-term debt					709,889	709,889
Total assets	<u>\$200,535</u>	<u>\$80,111</u>	<u>\$180,854</u>	<u>\$2,045,586</u>	<u>\$790,000</u>	<u>\$3,297,086</u>
<u>LIABILITIES, EQUITY, AND OTHER CREDITS</u>						
Liabilities:						
General obligation bonds payable					\$610,000	\$610,000
Certificates of indebtedness					180,000	180,000
Total liabilities					<u>790,000</u>	<u>790,000</u>
Equity and Other Credits:						
Investment in general fixed assets				\$2,045,586		2,045,586
Fund balances:						
Reserved for debt service		\$80,111				80,111
Reserved for capital projects			\$180,854			180,854
Unreserved - undesignated	\$200,535					200,535
Total equity and other credits	<u>200,535</u>	<u>80,111</u>	<u>180,854</u>	<u>2,045,586</u>		<u>2,507,086</u>
Total liabilities and fund equity	<u>\$200,535</u>	<u>\$80,111</u>	<u>\$180,854</u>	<u>\$2,045,586</u>	<u>\$790,000</u>	<u>\$3,297,086</u>

See notes to financial statements and accountant's report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
 All Governmental Fund Types
 For the year ended December 31, 1998

	Governmental Fund Types			Totals (Memorandum Only)
	General	Debt Service	Capital Project	
REVENUES				
Taxes - ad valorem	\$112,047	\$65,824		\$177,871
Intergovernmental:				
State of Louisiana:				
State Revenue Sharing	9,400			9,400
Insurance Rebate	25,540			25,540
Lafourche Communication District	10,800			10,800
Other	5,528	1,197		6,725
Total Revenues	<u>163,315</u>	<u>67,021</u>		<u>230,336</u>
EXPENDITURES				
General government - current:				
Ad valorem tax deductions	8,906	1,964		10,870
Public Safety	82,700			82,700
Other			\$ 3,650	3,650
Total current expenditures	<u>91,606</u>	<u>1,964</u>	<u>3,650</u>	<u>97,220</u>
Capital expenditures	<u>16,298</u>			<u>16,298</u>
Debt Service:				
Principal retirement		42,000		42,000
Interest and fiscal charges		40,986		40,986
Total debt service		<u>82,986</u>		<u>82,986</u>
Total expenditures	<u>107,904</u>	<u>84,950</u>	<u>3,650</u>	<u>196,504</u>
Excess (deficiencies) of revenues over expenditures	55,411	(17,929)	(3,650)	33,832
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issues			183,504	183,504
Operating transfers in (out)	<u>(23,734)</u>	<u>22,734</u>	<u>1,000</u>	<u>0</u>
EXCESS (DEFICIENCIES) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>31,677</u>	<u>4,805</u>	<u>180,854</u>	<u>217,336</u>
FUND BALANCES				
Beginning of year	168,858	75,306	0	244,164
End of year	<u>\$200,535</u>	<u>\$80,111</u>	<u>\$180,854</u>	<u>\$461,500</u>

See notes to financial statements and accountant's report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
General Fund
For the year ended December 31, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes - ad valorem	\$115,500	\$111,918	(\$3,582)
Intergovernmental:			
State of Louisiana			
State Revenue Sharing	9,400	9,400	0
Insurance Rebate	24,500	25,540	1,040
Lafourche Communication District	10,800	10,800	0
Other	2,000	5,528	3,528
Total Revenues	162,200	163,186	986
EXPENDITURES			
General government - current:			
Ad valorem tax deductions	5,800	5,560	240
Public Safety	102,200	82,700	19,500
Total current expenditures	108,000	88,260	19,740
Capital expenditures	73,000	16,298	56,702
Total expenditures	181,000	104,558	76,442
Excess (deficiencies) of revenues over expenditures	(18,800)	58,628	77,428
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	(23,000)	(23,734)	(734)
Total other financing sources (uses)	(23,000)	(23,734)	(734)
EXCESS (DEFICIENCIES) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(41,800)	34,894	76,694
FUND BALANCES			
Beginning of year	45,000	168,858	123,858
End of year	\$3,200	\$203,752	\$200,552

See notes to financial statements and accountant's report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

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

For the year ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes - ad valorem	\$68,500	\$65,749	(\$2,751)
Other - interest	615	1,197	582
Total Revenues	<u>69,115</u>	<u>66,946</u>	<u>(2,169)</u>
EXPENDITURES			
General government - current:			
Ad valorem tax deductions	3,425	1,964	1,461
Debt Service:			
Principal retirement	42,000	42,000	0
Interest and fiscal charges	40,275	40,986	(711)
Total debt service	<u>82,275</u>	<u>82,986</u>	<u>(711)</u>
Total expenditures	<u>85,700</u>	<u>84,950</u>	<u>750</u>
Excess (deficiencies) of revenues over expenditures	(16,585)	(18,004)	(1,419)
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	<u>23,000</u>	<u>22,734</u>	<u>(266)</u>
Total other financing sources (uses)	<u>23,000</u>	<u>22,734</u>	<u>(266)</u>
EXCESS (DEFICIENCIES) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	6,415	4,730	(1,685)
FUND BALANCES			
Beginning of year	6,778	75,306	68,528
End of year	<u>\$13,193</u>	<u>\$80,036</u>	<u>\$66,843</u>

See notes to financial statements and accountant's report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
Capital Project Fund
For the year ended December 31, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Other - interest	\$0	\$0	\$0
Total revenues	0	0	0
EXPENDITURES			
General government - current:		3,650	
Public Safety	0	0	0
Total current expenditures	0	3,650	(3,650)
Capital expenditures	40,950	0	40,950
Total expenditures	40,950	3,650	37,300
Excess (deficiencies) of revenues over expenditures	(40,950)	(3,650)	37,300
OTHER FINANCING SOURCES (USES)			
Proceeds from debt issues	179,100	183,504	4,404
Operating transfers in (out)	0	1,000	1,000
Total other financing sources (uses)	179,100	184,504	5,404
EXCESS (DEFICIENCIES) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	138,150	180,854	42,704
FUND BALANCES			
Beginning of year	0	0	0
End of year	\$138,150	\$180,854	\$ 42,704

See notes to financial statements and accountant's report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1999

	Governmental Fund Types				Account Groups			Totals (Memorandum Only)
	General		Debt Service		General		General Long	
	S	\$	S	\$	Fixed Assets	Term Debt	Term Debt	
<u>ASSETS AND OTHER DEBITS</u>								
Cash and Investments	\$116,460		\$23,182	\$	4,659			\$144,301
Ad valorem taxes receivable	19,959		11,717					31,676
Due from other governmental units	88,926		52,204					141,130
Deposits	1,020							1,020
General fixed assets					\$2,250,519			2,250,519
Amount available in Debt Service Fund						\$87,102		87,102
Amount to be provided for retirement of general long-term debt						670,898		670,898
Total assets	<u>\$226,365</u>		<u>\$87,102</u>		<u>\$4,659</u>	<u>\$2,250,519</u>	<u>\$758,000</u>	<u>\$3,326,645</u>
<u>LIABILITIES, EQUITY, AND OTHER CREDITS</u>								
Liabilities:								
General obligation bonds payable							\$590,000	\$590,000
Certificates of indebtedness							168,000	168,000
Total liabilities							<u>758,000</u>	<u>758,000</u>
Equity and Other Credits:								
Investment in general fixed assets					\$2,250,519			2,250,519
Fund balances:								
Reserved for debt service			\$87,102					87,102
Reserved for capital projects					\$4,659			4,659
Unreserved - undesignated	\$226,365							226,365
Total equity and other credits	<u>226,365</u>		<u>87,102</u>		<u>4,659</u>	<u>2,250,519</u>	<u>2,568,645</u>	<u>2,568,645</u>
Total liabilities and fund equity	<u>\$226,365</u>		<u>\$87,102</u>		<u>\$4,659</u>	<u>\$758,000</u>	<u>\$3,326,645</u>	<u>\$3,326,645</u>

See notes to financial statements and accountant's report.

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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Debt Service	Capital Project	
REVENUES				
Taxes - ad valorem	\$109,442	\$66,237		\$175,679
Intergovernmental:				
State of Louisiana:				
State Revenue Sharing	9,398			9,398
Insurance Rebate	27,146			27,146
Lafourche Communication District	10,800			10,800
Other	7,167	1,469	3,604	12,240
Total Revenues	<u>163,953</u>	<u>67,707</u>	<u>3,604</u>	<u>235,264</u>
EXPENDITURES				
General government - current:				
Ad valorem tax deductions	3,411	3,967		7,378
Public Safety	105,633			105,633
Other			\$ 793	793
Total current expenditures	<u>109,044</u>	<u>3,967</u>	<u>793</u>	<u>113,803</u>
Capital expenditures	<u>200</u>		<u>184,006</u>	<u>16,298</u>
Debt Service:				
Principal retirement		32,000		32,000
Interest and fiscal charges		48,627		48,627
Total debt service		<u>80,627</u>		<u>80,627</u>
Total expenditures	<u>109,244</u>	<u>84,594</u>	<u>184,799</u>	<u>378,637</u>
Excess (deficiencies) of revenues over expenditures	54,709	(16,887)	(181,195)	(143,373)
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	<u>(28,879)</u>	<u>23,879</u>	<u>5,000</u>	<u>(0)</u>
EXCESS (DEFICIENCIES) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>25,830</u>	<u>6,991</u>	<u>(176,195)</u>	<u>(143,374)</u>
FUND BALANCES				
Beginning of year	200,535	80,111	180,854	461,500
End of year	<u>\$226,365</u>	<u>\$87,102</u>	<u>\$4,659</u>	<u>\$318,126</u>

See notes to financial statements and accountant's report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

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

For the year ended December 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes - ad valorem	\$113,000	\$108,634	(\$4,366)
Intergovernmental:			
State of Louisiana			
State Revenue Sharing	9,000	9,398	398
Insurance Rebate	25,000	27,146	2,146
Lafourche Communication District	5,400	10,800	5,400
Other	3,000	7,167	4,167
Total Revenues	<u>155,400</u>	<u>163,145</u>	<u>7,745</u>
EXPENDITURES			
General government - current:			
Ad valorem tax deductions	6,150	3,346	2,804
Public Safety	123,000	105,634	17,366
Total current expenditures	<u>129,150</u>	<u>108,980</u>	<u>20,170</u>
Capital expenditures	70,000	200	69,800
Total expenditures	<u>199,150</u>	<u>109,180</u>	<u>89,970</u>
Excess (deficiencies) of revenues over expenditures	(43,750)	53,965	97,715
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	<u>(24,000)</u>	<u>(28,879)</u>	<u>(4,879)</u>
Total other financing sources (uses)	<u>(24,000)</u>	<u>(28,879)</u>	<u>(4,879)</u>
EXCESS (DEFICIENCIES) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(67,750)	25,086	92,836
FUND BALANCES			
Beginning of year	90,000	203,752	113,752
End of year	<u>\$22,250</u>	<u>\$228,838</u>	<u>\$206,588</u>

See notes to financial statements and accountant's report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

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

For the year ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes - ad valorem	\$66,000	\$67,727	\$1,727
Other - interest	600	1,469	869
Total Revenues	66,600	69,196	2,596
EXPENDITURES			
General government - current:			
Ad valorem tax deductions	3,550	1,964	1,586
Debt Service:			
Principal retirement	32,000	32,000	0
Interest and fiscal charges	49,286	48,627	659
Total debt service	81,286	80,627	659
Total expenditures	84,836	82,591	2,245
Excess (deficiencies) of revenues over expenditures	(18,236)	(13,395)	4,841
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	24,000	23,879	(121)
Total other financing sources (uses)	24,000	23,879	(121)
EXCESS (DEFICIENCIES) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	5,764	10,483	4,719
FUND BALANCES			
Beginning of year	15,620	80,036	64,416
End of year	\$21,384	\$90,519	\$69,135

See notes to financial statements and accountant's report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
Capital Project Fund
For the year ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Other - interest	\$2,100	\$3,604	\$1,504
Total revenues	2,100	3,604	1,504
EXPENDITURES			
General government - current:			
Public Safety	0	793	(793)
Total current expenditures	0	793	(793)
Capital expenditures	246,000	184,799	61,201
Total expenditures	246,000	185,592	60,408
Excess (deficiencies) of revenues over expenditures	(243,900)	(181,987)	61,913
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	70,000	5,000	(65,000)
Total other financing sources (uses)	70,000	5,000	(65,000)
EXCESS (DEFICIENCIES) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(173,900)	(176,987)	(3,087)
FUND BALANCES			
Beginning of year	178,000	180,854	2,854
End of year	\$4,100	\$3,867	\$ (233)

See notes to financial statements and accountant's report.

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

**NOTES TO FINANCIAL STATEMENTS
For the two years ended December 31, 1998 and 1999**

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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following is a summary of certain significant accounting policies:

A. Reporting Entity

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the Lafourche Parish Council is considered to be the primary government for financial reporting purposes for the Parish of Lafourche.

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and/or;
 - b. *The potential for the organization to provide specific financial benefits to or imposes specific financial burdens on the council.*

2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

B. Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Governmental Funds

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting, (Continued)

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

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

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Ad valorem taxes are considered "measurable" at the time of levy. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D. Operating Budgetary Data

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. Bad Debts

The financial statements for the District contain no allowance for bad debts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would seem to indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the Fund.

F. Encumbrances

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

G. Reserves and Designations of Fund Balance

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

H. Cash and Deposits

Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

State law also recognizes that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security deposits. Obligation furnished as

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Cash and Deposits (Continued)

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

I. General Fixed Assets

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

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

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

J. Long Term Debt

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

K. Total (Memorandum Only) Columns on Combined Statements

The total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present the financial position or the results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 DEPOSITS AND INVESTMENTS

At December 31, 1998 the District has cash book balances (all deposits) of \$286,289 and bank balances totaling \$286,598. At December 31, 1999 the District has cash book balances (all deposits) of \$144,301 and bank balances totaling \$144,301. These deposits are stated at cost, which approximates market. Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The District's December 31, 1998 deposits are secured from risk by \$100,000 of federal deposit insurance and \$204,594 of pledged securities held by the custodial bank in the name of the fiscal agent bank. The District's December 31, 1999 deposits are secured from risk by \$100,000 of federal deposit insurance and \$371,075 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 3

AD VALOREM TAXES

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

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, 1996. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 1997 and 1998 (on which the 1998 and 1999 taxes were levied) was \$4.94 per \$1,000 of assessed valuation of property within Lafourche Parish Fire Protection District No. 1 for the purpose of maintaining and operating the facilities and programs, and \$2.90 per \$1,000 for the purpose of payment of general long term debt, principal, interest, and related costs for the District.

Note 4

COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members during the year ended December 31, 1998 or 1999.

Note 5

DUE FROM OTHER GOVERNMENTAL UNITS

The amounts due from other governmental units at December 31, 1998 and 1999 consisted of December 1998 and 1999 ad valorem tax collections due from the Lafourche Parish Tax Collector to be remitted to the District in January 1999 and 2000.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6

BUDGETARY REPORTING

The accompanying December 31, 1998 and 1999 Statement of Revenues, Expenditures, and Changes in Cash Balances - Budget (Non-GAAP Basis) and Actual, presents comparisons of the District's adopted budget (more fully described in Note 1) with actual data on a budgetary basis. The budget is prepared on a cash basis, which is not GAAP.

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

DECEMBER 31, 1998:

	General Fund	Debt Service
Excess (Deficiency) of Revenues and Other financing Sources over Expenditures and Other Uses (GAAP Basis)	\$31,677	\$4,805
(Increase) decrease in revenues and receivables	(3,217)	(75)
Excess (Deficiency) of Revenues and Other financing sources over Expenditures and Other Uses (Budgetary Basis)	\$34,894	\$4,730

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6 BUDETARY REPORTING (Continued)

DECEMBER 31, 1999:

	General Fund	Debt Service
Excess (Deficiency) of Revenues and Other financing Sources over Expenditures and Other Uses (GAAP Basis)	\$25,830	\$6,991
(Increase) decrease in revenues and receivables	(744)	3,492
Excess (Deficiency) of Revenues and Other financing sources over Expenditures and Other Uses (Budgetary Basis)	\$25,086	\$10,483

Note 7 CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance December 31, 1997	Additions	Deletions/ Donations	Balance December 31, 1998
Buildings	\$610,487	\$12,638	\$3,085	\$626,210
Furniture & Equipment	158,373	10,286	1,036	169,695
Trucks	1,248,571	1,109	1	1,249,681
TOTALS	\$2,017,431	\$ 24,033	\$4,122	\$2,045,586

	Balance December 31, 1998	Additions	(Deletions)/ Donations	Balance December 31, 1999
Buildings	\$626,210	\$30,241	\$0	\$656,451
Furniture & Equipment	169,695	22,235	(6,435)	185,495
Trucks	1,249,681	158,892	0	1,408,573
TOTALS	\$2,045,586	\$211,368	\$(6,435)	\$2,250,519

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 8 LONG TERM DEBT

At December 31, 1998 and 1999, the District had outstanding a Certificate of Indebtedness bearing interest at a rate of 8.5% payable through February 1, 1998 and General Obligation Bonds bearing interest at 11% to 5.45% payable through April 1, 2015.

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

	Payable December 1, 1997	Debt Incurred	Debt Retired	Payable December 31, 1998
Certificate of Indebtedness, Series 1988	\$22,000		\$22,000	\$0
General Obligation Bonds, Series 1995	630,000		20,000	610,000
Certificate of Indebtedness, Series 1998	0	\$180,000	0	180,000
TOTALS	\$652,000	\$180,000	\$42,000	\$790,000

	Payable December 1, 1998	Debt Incurred	Debt Retired	Payable December 31, 1999
General Obligation Bonds, Series 1995	610,000		20,000	590,000
Certificate of Indebtedness, Series 1998	180,000	\$0	12,000	168,000
TOTALS	\$790,000	\$0	\$32,000	\$758,000

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 8

LONG TERM DEBT (Continued)

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

At December 31, 1998:

	General Obligation Bonds	Certificate of Indebtedness	Total
Maturity			
1999	\$56,505	\$23,780	\$80,285
2000	54,620	23,693	78,313
2001	57,651	23,853	81,504
2002	55,576	23,959	79,536
2003	53,608	23,039	76,646
2004-2008	276,973	117,651	394,623
2009-2013	284,400	0	284,400
2014-2015	121,580	0	121,580
Totals	\$960,913	\$235,975	\$1,196,887

At December 31, 1999:

	General Obligation Bonds	Certificate of Indebtedness	Total
Maturity			
2000	\$54,620	\$23,693	\$78,313
2001	57,651	23,853	81,504
2002	55,576	23,959	79,536
2003	53,608	23,039	76,646
2004	56,828	23,091	79,919
2005-2009	277,785	94,559	372,344
2010-2014	286,660	0	286,660
2015	61,680	0	61,680
Totals	\$904,408	\$212,194	\$1,116,602

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 9

Risk Management

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



STAGNI & COMPANY, LLC

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

To the Board of Commissioners
Lafourche Parish Fire Protection District No. 1
Thibodaux, Louisiana

We have audited the general-purpose financial statements of the Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council for the two years ended December 31, 1998 and 1999 and have issued our report thereon dated February 14, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Lafourche Parish Fire Protection District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Lafourche Parish Fire Protection District No. 1's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or

operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management of the Board of Commissioners of the Lafourche Parish Fire Protection District No. 1 and the Louisiana Legislative Auditor. However; this report is a matter of public record and its distribution is not limited.

Stagni & Company

Thibodaux, Louisiana

February 14, 2000

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1
Summary Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998 and 1999

A. SUMMARY OF AUDIT RESULTS

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

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