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LORANGER VOLUNTEER FIRE DEPARTMENT, INC.

Loranger, Louisiana

FINANCIAL STATEMENTS

As of and for the Year Ended

December 31, 2001

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 5/22/02

LORANGER VOLUNTEER FIRE DEPARTMENT, INC.

Loranger, Louisiana

Financial Statements

As of and for the Year Ended
December 31, 2001

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To the Members of the
Loranger Volunteer Fire Department, Inc.
Loranger, Louisiana

I have compiled the accompanying statement of assets and liabilities arising from appropriations and certain other transactions of Loranger Volunteer Fire Department, Inc. as of December 31, 2001, and the related statement of revenues, expenditures, and changes in fund balance arising from appropriations and certain other transactions for the year then ended. These financial statements have been compiled in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and have been prepared on a basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. 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.

Management has elected to only include those disclosures which pertain to appropriations and certain other transactions.

Certified Public Accountant

April 25, 2002

LORANGER VOLUNTEER FIRE DEPARTMENT, INC.

Statement of Assets and Liabilities Arising From
Appropriations and Certain Other Transactions
December 31, 2001

ASSETS

Cash	\$ 77,834
Receivables - appropriation from Rural Fire Protection District No. 2	<u>30,217</u>
Total Assets	<u>\$108,051</u>

LIABILITIES AND FUND EQUITY

<u>Liabilities</u>	
Accounts payable	\$ 5,747
Payroll taxes payable	<u>434</u>
Total Liabilities	<u>6,181</u>
<u>Fund Equity</u>	
Fund Balance - unreserved - undesignated	<u>101,870</u>
Total Liabilities and Fund Equity	<u>\$108,051</u>

See accompanying notes and accountant's report.

LORANGER VOLUNTEER FIRE DEPARTMENT, INC.

Statement of Revenues, Expenditures, and Changes
in Fund Balance Arising From
Appropriations and Certain Other Transactions
For the Year Ended December 31, 2001

Revenues

Appropriation from:

Rural Fire Protection District No. 2	\$125,297
Federal Grant	500
Interest	<u>1,499</u>
Total Revenues	<u>127,296</u>

Expenditures

Salaries	7,875
Payroll taxes	602
Building maintenance and supplies	4,090
Capital Outlay	18,359
Equipment maintenance and supplies	10,082
Insurance	5,242
Other supplies	1,039
Professional services	4,165
Return of appropriation to Rural Fire Protection District No. 2 for debt service	18,005
Telephone	4,412
Training	2,032
Utilities	<u>2,666</u>
Total Expenditures	<u>78,569</u>

Excess of Revenues over Expenditures 48,727

Fund Balance at Beginning of Year 53,143

Fund Balance at End of Year \$101,870

See accompanying notes and accountant's report.

LORANGER VOLUNTEER FIRE DEPARTMENT, INC.

Notes to Financial Statements limited to Appropriations and Certain Other Transactions December 31, 2001

BACKGROUND INFORMATION

The Loranger Volunteer Fire Department, Inc. was incorporated on May 22, 1998, as an association of volunteer firemen serving the Loranger, Louisiana, geographical area. The Loranger Volunteer Fire Department, Inc. is exempt from federal income tax under IRC 501 (c) 4. The Loranger Volunteer Fire Department, Inc. is funded, for the most part, by an annual appropriation from the Tangipahoa Parish Rural Fire Protection District No. 2 (Rural Fire Protection District No. 2).

The Rural Fire Protection District No. 2 contracts with the Loranger Volunteer Fire Department, Inc. and nine other fire departments to carry-out its mission of providing fire protection for the entire parish of Tangipahoa, excluding the incorporated municipalities and entire Third Ward in said parish.

Rural Fire Protection District No. 2 receives ad valorem taxes, state revenue sharing, and two percent fire insurance rebated monies and appropriates these monies, along with interest earnings, to the ten individual fire departments in accordance with an annual agreement. The primary responsibility of each fire department is the prevention and termination of fires which pose a threat to life or property within its areas of responsibility. The secondary responsibility is to respond to any and all calls for assistance from any of the other fire departments in Rural Fire Protection District No. 2.

The annual agreement provides that the appropriation of revenue from Rural Fire Protection District No. 2 be based upon the square miles served by the individual fire departments, the population within the area served, and the number of fire calls received in a given period. The agreement also requires that the individual fire departments expend the appropriations exclusively for the purpose of operating, maintaining, and/or purchasing equipment and supplies for their fire department, and for approved salaries. The agreement additionally requires the individual fire departments to present quarterly statements of funds received and expended.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements have been prepared following the governmental reporting model established by the Governmental Accounting Standards Board (GASB).

FUND ACCOUNTING

The fire department uses a fund approach to report on its financial position and the results of its operations arising from appropriations and certain other transactions. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The fire department follows the treatment for a governmental fund.

Loranger Volunteer Fire Department, Inc.
 Notes to Financial Statements limited to
 Appropriations and Certain Other Transactions - continued

BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. The modified accrual basis of accounting is used by the governmental funds.

GENERAL FIXED ASSETS

All general fixed assets used by Loranger Volunteer Fire Department, Inc. are owned by Rural Fire Protection District No. 2. Therefore, there are no general fixed assets reported in the accompanying financial statements. The equipment used by the Loranger Volunteer Fire Department, Inc. has been purchased with funds received from Rural Fire Protection District No. 2.

APPROPRIATIONS FROM LOAN PROCEEDS

In 1998, Rural Fire Protection District No. 2 borrowed \$125,000 on Certificates of Indebtedness, Series 1998 to be used by Loranger Volunteer Fire Department, Inc. to purchase a new fire truck.

There were two certificates of indebtedness issued. Certificate No. R-1 is for \$105,000 between the Rural Fire Protection District No. 2 and Hancock Bank of Louisiana. Certificate No. R-2 is for \$20,000 between the Rural Fire Protection District No. 2 and the Louisiana Public Facilities Authority.

The certificates are secured by and payable solely from an irrevocable pledge and dedication of funds to be derived by the Rural Fire Protection District No. 2 from the levy and collection of a special 10 mills tax authorized to be levied in each of the years 1998 through 2005.

There is no contractual agreement that requires the Loranger Volunteer Fire Department, Inc. to repay this indebtedness to the Rural Fire Protection District No. 2. However, the Loranger Volunteer Fire Department, Inc. is expected to pay the annual debt service on these certificates of indebtedness from the annual appropriation to be received from Rural Fire Protection District No. 2.

At December 31, 2001, the balances owed by Rural Fire Protection District No. 2 on Certificates of Indebtedness, Series 1998 were as follows:

	<u>Balance</u> <u>12-31-00</u>	<u>Payments</u> <u>FYE 12-31-01</u>	<u>Balance</u> <u>12-31-01</u>
Cert. No. R-1	\$85,000	\$10,000	\$75,000
Cert. No. R-2	<u>12,000</u>	<u>4,000</u>	<u>8,000</u>
Totals	<u>\$97,000</u>	<u>\$14,000</u>	<u>\$83,000</u>



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

To the Members of the
Loranger Volunteer Fire Department, Inc.
Loranger, Louisiana

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Loranger Volunteer Fire Department, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Loranger Volunteer Fire Department, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2001, 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.

Federal, State, and Local Awards

1. Determine the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Total appropriation from Tangipahoa Parish Rural Fire Protection District No. 2 for the fiscal year ending December 31, 2001, was as follows:

For Fire Protection	\$125,297
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A Federal Grant of \$500 was received from the Louisiana Department of Agriculture and Forestry during the current fiscal year.

2. For each federal, state, and local award, randomly select 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements are selected.
3. For the items selected in procedure 2, trace the six disbursements 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.

Loranger Volunteer Fire Department, Inc.
Independent Accountant's Report
on Applying Agreed-Upon Procedures - (continued)

4. For the items selected in procedure 2, determine if the six disbursements were properly coded to the correct fund and general ledger account.

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

5. For the items selected in procedure 2, determine whether the six disbursements received approval from proper authorities.

On the first Tuesday of each month, an officer's meeting is held. At this meeting, the Treasurer goes over all the bills for that month with the Chief and the other officers. All bills are approved by the Chief and the officers. Each person initials the book containing the itemized list.

All six disbursements selected indicated proper approval.

6. For the items selected in procedure 2: For Federal awards, determine whether the disbursements complied with the applicable specific program compliance requirements summarized in *the Compliance Supplement* (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, determine whether the disbursements complied with the grant agreement.

Federal Funds received were immaterial.

I determined that each of the six selected disbursements was expended for the purposes of operating, maintaining, and/or purchasing equipment and supplies, and additionally for salaries if approved by Fire District No. 2, as required in the 2001 agreement with Tangipahoa Parish Rural Fire Protection District No. 2.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

No programs were closed out during the period of my review.

Meetings

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

Loranger Volunteer Fire Department, Inc. is required to post a notice of each meeting and the accompanying agenda on the door of the Loranger Volunteer Fire Department, Inc.'s station at least twenty-four hours in advance of the meeting.

I examined evidence that such notice was posted.

Loranger Volunteer Fire Department, Inc.
Independent Accountant's Report
on Applying Agreed-Upon Procedures - (continued)

Comprehensive Budget

9. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Loranger Volunteer Fire Department, Inc. did prepare a 2001 budget; however, this does not appear to be required in the agreement with Rural Fire Protection District No. 2.

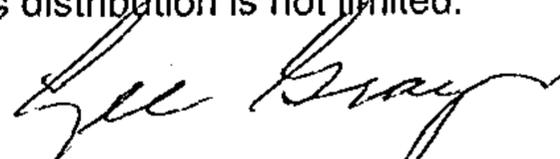
Prior Comments and Recommendations

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

There were no prior Attestation Findings.

I was 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, 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 management of Loranger Volunteer Fire Department, Inc. 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.


Certified Public Accountant

April 25, 2002

**LOUISIANA
ATTESTATION
QUESTIONNAIRE**

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)
_____ (Date Transmitted)

Lee Gray, CPA

P.O. Box 368

Amite, LA 70422

(Auditors)

In connection with your compilation of our financial statements as of
December 31, 2001 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 (date of
completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal
year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our
accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of
original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local
programs we administer, to include matters contained in the Compliance Supplement, matters
contained in the grant awards, eligibility requirements, activities allowed and unallowed, and
reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required
by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes No

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a
comprehensive budget for those grants that included the purpose and duration, and for state
grants included specific goals and objectives and measures of performance

Yes No

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

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 federal, state, and local grants, to include the applicable 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>Dee Simpson</u>	Secretary	<u>5-1-02</u>	Date
<u>Glennie W. Heuser</u>	Treasurer	<u>5-1-02</u>	Date
<u>Robert L. Mearl Sr.</u>	President	<u>5-1-02</u>	Date