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ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 10
ST. TAMMANY PARISH POLICE JURY
Sun, Louisiana

General Purpose Financial Statements
And Accountant's Report
As of and for the Year Ended
December 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or authorized, 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 JAN 07 1999

C O N T E N T S

	<u>Page No.</u>
Transmittal Letter	2
Affidavit	3
Accountant's Report	4
General Purpose Financial Statements:	
Balance Sheet - All Fund Types and Account Groups	5
Governmental Fund - General Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance	6
Statement of Receipts, Disbursements, and Changes in Cash Balance - Budget (Cash Basis) and Actual	7
Notes to the Financial Statements	8

TRANSMITTAL LETTER
ANNUAL FINANCIAL STATEMENTS

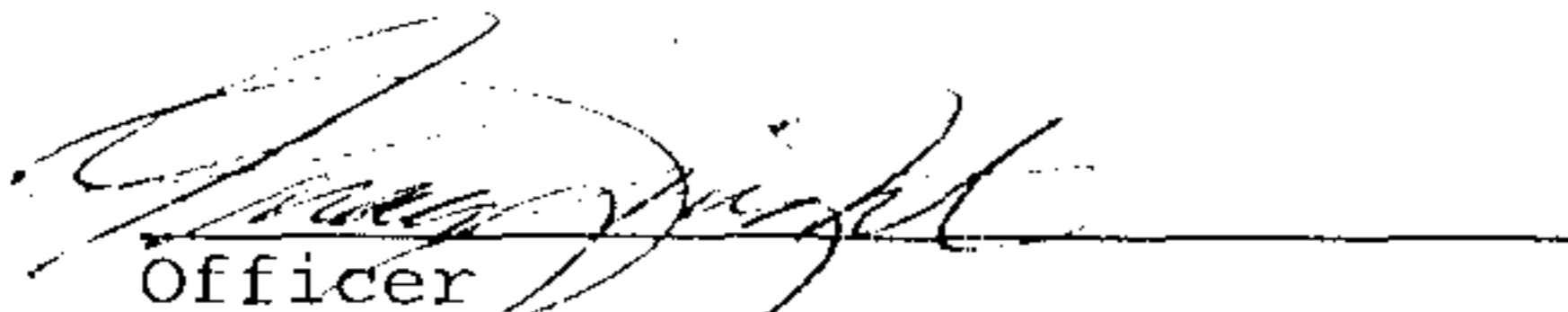
June 15, 1999

Office of Legislative Auditor
Attention: Ms. JoAnne Sanders
1600 North Third
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Ms. Sanders:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the St. Tammany Parish Fire Protection District No. 10 as of and for the year ended December 31, 1998. The report includes all funds under the control and oversight of the district. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,



Officer

Enclosure

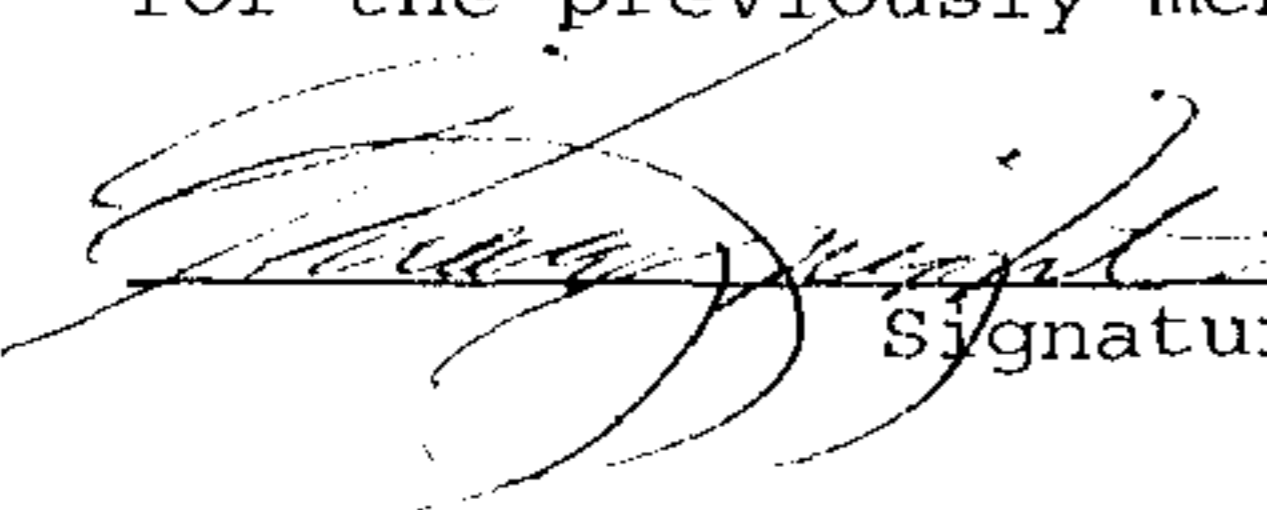
ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT 10
Sun, Louisiana

ANNUAL SWORN FINANCIAL STATEMENTS AND
CERTIFICATION OF REVENUES \$50,000 OR LESS

AFFIDAVIT

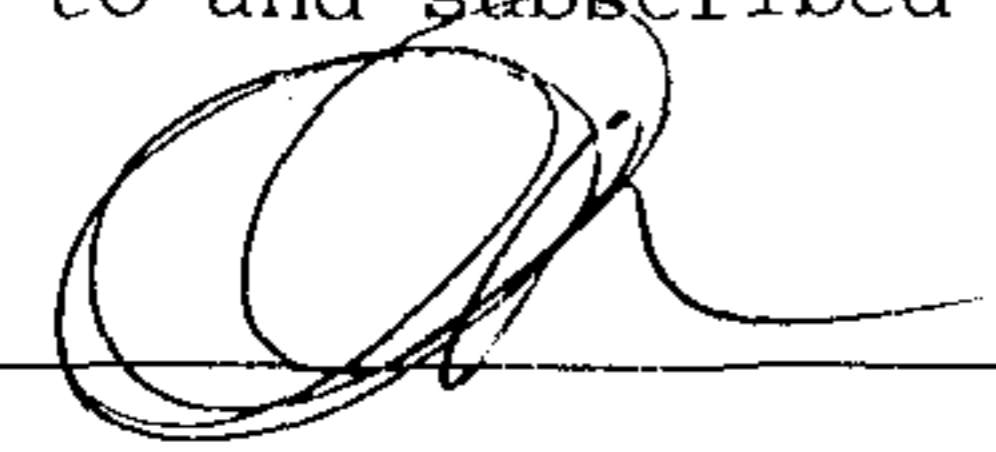
Personally came and appeared before the undersigned authority, Tracy Knight, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the St. Tammany Parish Fire Protection District No. 10 as of December 31, 1998 and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Tracy Knight, who, duly sworn, deposes and says that the St. Tammany Parish Fire Protection District No. 10 received \$50,000 or less in revenues and other sources for the year ended December 31, 1998 and accordingly, is not required to have an audit for the previously mentioned year end.



Signature

Sworn to and subscribed before me, this 24th day of June, 1999.



NOTARY PUBLIC
CHARLENE ORY KAZAN
Notary Public, Parish of Orleans, State of La.
My Commission is issued for life.

Officer: Tracy Knight
Address: 26618 Highway 16
Sun, LA 70463
Telephone: 504-886-2116



ACCOUNTANT'S REPORT

Board of Commissioners
St. Tammany Parish Fire Protection
District No. 10
St. Tammany Parish Police Jury
Sun, Louisiana

I have compiled the accompanying general purpose financial statements of the St. Tammany Parish Fire Protection District No. 10, a component unit of the St. Tammany Parish Police Jury, as of and for the year ended December 31, 1998, as listed in the foregoing 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 information that is the representation of management. I have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

As discussed in Note G, certain conditions indicate that the District may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments to the financial statements that might be necessary should the District be unable to continue as a going concern.

Jerry L Heck

June 15, 1999

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 10
ST. TAMMANY PARISH POLICE JURY
Sun, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

BALANCE SHEET
December 31, 1998

	Governmental Fund - <u>General Fund</u>
ASSETS AND OTHER DEBITS	
Assets:	
Cash	\$ 15,965
Receivables	22,799
Land, building and equipment	
Other Debits:	
Amount to be provided for retirement of general long-term obligations	_____
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 38,764</u>
LIABILITIES, EQUITY AND OTHER CREDITS	
Liabilities:	
Accounts payable	\$ 1,491
Deductions from ad valorem taxes	630
Equipment installment loan payable	
Total Liabilities	<u>2,121</u>
Equity and Other Credits:	
Investment in general fixed assets	
Fund balances:	
Designated for building improvements	2,500
Unreserved - undesignated	34,143
Total Equity and Other Credits	<u>36,643</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 38,764</u>

See accompanying notes and accountant's report.

.....Account Groups.....		
<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>Total (Memorandum Only)</u>
		\$ 15,965
		22,799
\$ 196,742		196,742
	<u>\$ 33,602</u>	<u>33,602</u>
<u>\$ 196,742</u>	<u>\$ 33,602</u>	<u>\$ 269,108</u>
		\$ 1,491
		630
	<u>\$ 33,602</u>	<u>33,602</u>
	<u>33,602</u>	<u>35,723</u>
\$ 196,742		196,742
		2,500
		<u>34,143</u>
<u>196,742</u>		<u>233,385</u>
<u>\$ 196,742</u>	<u>\$ 33,602</u>	<u>\$ 269,108</u>

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 10
ST. TAMMANY PARISH POLICE JURY
Sun, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended December 31, 1998

REVENUES

Ad valorem taxes	\$ 20,504
State revenue sharing	1,558
Fire insurance rebate	2,108
Interest earnings and other	<u>574</u>
TOTAL REVENUES	<u>24,744</u>

EXPENDITURES

Public Safety - fire protection	
Capital outlay	3,374
Debt service	8,137
Insurance	3,930
Office supplies	72
Operations - fuel and oil	470
Other	177
Professional fees	1,000
Repairs and maintenance	6,176
Statutory charge	630
Telephone	2,160
Utilities	<u>1,965</u>
TOTAL EXPENDITURES	<u>28,091</u>

EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES (3,347)

FUND BALANCE AT BEGINNING OF YEAR 39,990

FUND BALANCE AT END OF YEAR \$ 36,643

See accompanying notes and accountant's report.

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 10
ST. TAMMANY PARISH POLICE JURY
Sun, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE - BUDGET
(CASH BASIS) AND ACTUAL
Year Ended December 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
RECEIPTS			
Ad valorem taxes	\$ 21,600	\$ 20,151	(\$ 1,449)
State revenue sharing	1,500	1,520	20
Fire insurance rebate	1,900	2,108	208
Interest earnings and other	<u>-</u>	<u>635</u>	<u>635</u>
TOTAL RECEIPTS	<u>25,000</u>	<u>24,414</u>	<u>(586)</u>
DISBURSEMENTS			
Public Safety - fire protection			
Capital outlay	4,500	4,027	473
Debt service	7,990	8,137	(147)
Insurance	3,900	3,930	(30)
Office supplies	200	72	128
Operations - fuel and oil	1,000	652	348
Other	300	207	93
Professional fees	1,500	1,000	500
Repairs and maintenance	1,650	4,870	(3,220)
Statutory charge	200	-	200
Telephone	2,200	2,160	40
Utilities	<u>1,500</u>	<u>2,529</u>	<u>(1,029)</u>
TOTAL DISBURSEMENTS	<u>24,940</u>	<u>27,584</u>	<u>(2,644)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>\$ 60</u>	<u>(3,170)</u>	<u>(\$ 3,230)</u>
CASH BALANCE AT BEGINNING OF YEAR		<u>19,135</u>	
CASH BALANCE AT END OF YEAR		<u>\$ 15,965</u>	

See accompanying notes and accountant's report.

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 10
ST. TAMMANY PARISH POLICE JURY
Sun, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

St. Tammany Parish Fire Protection District No. 10 was created by the St. Tammany Parish Police Jury as provided by Louisiana Revised Statute 40:1492. The fire district is responsible for fire protection in the Village of Sun and the surrounding areas. The administration of the fire district is governed by a board of commissioners consisting of five members. Two members are appointed by the St. Tammany Parish Police Jury and two by the Village of Sun. The fifth member is elected by the other four members and serves as chairman. The members serve terms of two years without compensation. Vacancies are filled by the bodies making the original appointments.

The district operates one fire station. All fire prevention and protection services are provided by volunteers.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the St. Tammany Parish Fire Protection District No. 10 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

2. REPORTING ENTITY

The district is a component unit of the St. Tammany Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the district because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 10
ST. TAMMANY PARISH POLICE JURY
Sun, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. 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 relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group 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.

Funds of the district are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

- a. General Fund - the general operating fund of the district accounts for all financial resources, except those required to be accounted for in other funds.

4. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds 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 funds. The governmental funds use the following practices in recording revenues and expenditures:

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 10
ST. TAMMANY PARISH POLICE JURY
Sun, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and throughout the ensuing year. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term obligations, which are not recognized until due.

5. BUDGET

The district adopted the budget for 1998 on December 11, 1997. The budget is prepared and reported on the cash basis of accounting. Appropriations lapse at year end. Changes or amendments are made upon approval of the board. Budget amounts included in the accompanying financial statements consists of the original adopted budget. The district does not use encumbrance accounting.

The excess (deficiency) of revenues over expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance (page 6) is reconciled to the excess (deficiency) of receipts over disbursements on the Statement of Receipts, Disbursements and Changes in Cash Balance - Budget (Cash Basis) and Actual (page 7) as follows:

Excess (Deficiency) of Revenues over Expenditures	(\$ 3,347)
Add:	
Prior year receivables	22,932
Current year payables	2,121
Less:	
Current year receivables	(22,799)
Prior year payables	(2,077)
Excess (Deficiency) of Receipts over Disbursements	(\$ <u>3,170</u>)

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 10
ST. TAMMANY PARISH POLICE JURY
Sun, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. CASH

Cash includes amounts in demand 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 or any other state of the United States, or under the laws of the United States.

7. GENERAL FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are recorded at historical cost or estimated cost if historical cost is not available. Donated fixed assets are recorded in the general fixed assets account group at the fair market value of the asset at the time of donation. Donated assets are not recorded as revenue or as capital outlay expenditures. Approximately 98% of fixed assets are valued at actual cost and 2% are valued at estimated cost.

8. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

9. FUND EQUITY

Designated fund balances represent tentative plans for future use of financial resources.

10. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 10
ST. TAMMANY PARISH POLICE JURY
Sun, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE B - LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Operations and maintenance	20.88	20.88

NOTE C - CASH

At December 31, 1998, the district has cash (book balances) totaling \$15,965 as follows:

Demand deposits	\$ 5,684
Money market accounts	<u>10,281</u>
Total	<u>\$ 15,965</u>

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. 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. At December 31, 1998, the district has \$16,145 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

NOTE D - RECEIVABLES

The following is a summary of receivables at December 31, 1998:

<u>Class of Receivable</u>	<u>General Fund</u>
Ad valorem taxes	\$ 21,241
State revenue sharing	<u>1,558</u>
Total	<u>\$ 22,799</u>

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 10
ST. TAMMANY PARISH POLICE JURY
Sun, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE E - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, <u>1998</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>1998</u>
Land	\$ 4,000	\$ -	\$ -	\$ 4,000
Building	49,898	-	-	49,898
Equipment	<u>139,470</u>	<u>3,374</u>	<u>-</u>	<u>142,844</u>
Total	<u>\$ 193,368</u>	<u>\$ 3,374</u>	<u>\$ -</u>	<u>\$ 196,742</u>

NOTE F - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

A summary of changes in general long-term obligations follows:

	Balance January 1, <u>1998</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>1998</u>
Equipment installment loan payable	<u>\$ 39,088</u>	<u>\$ -</u>	<u>\$ 5,486</u>	<u>\$ 33,602</u>

The original amount of the equipment installment loan payable dated November 7, 1996 was \$46,000. Proceeds of the loan were used to purchase fire protection equipment. Payment is due in seven annual installments of \$8,137 including interest at 6.75 per cent per annum.

Maturities of the installment loan payable follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
1999	\$ 8,137
2000	8,137
2001	8,137
2002	8,138
2003	<u>8,138</u>
Total	40,687
Less interest	(7,085)
Outstanding principal	<u>\$ 33,602</u>

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 10
ST. TAMMANY PARISH POLICE JURY
Sun, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE G - CONTINGENCY - GOING CONCERN

In May, 1999, four of the five members, including the chairman, of the board of commissioners resigned or tendered their resignations. In addition, the fire chief and several active volunteer fire fighters have also resigned. These factors create an uncertainty about the District's ability to continue as a going concern. Two new board members have since been appointed by the St. Tammany Parish Police Jury. It is expected that the Village of Sun will appoint another board member in the near future and these members will then elect a new Chairman. The St. Tammany Parish Police Jury should take appropriate action to ensure the continued viability of the District.