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STATE AUDITOR GENERAL
OF MISSISSIPPI
LEGISLATIVE POLICE COMMISSION
FOR THE MISSISSIPPI POLICE JURY
REPORT ON THE
OPERATIONS AND FINANCIAL STATEMENTS
PERIOD ENDING 31-1987

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 22 1988

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February 4, 1998

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Fire Protection District No. 4 of
Livingston Parish
Livingston Parish Council
Walker, Louisiana

We have audited the accompanying component unit only financial statements of the Fire Protection District No. 4 of Livingston Parish, Louisiana, a component unit of the Livingston Parish Council, (formerly the Livingston Parish Police Jury) as of and for the year ended December 31, 1997, as listed in the table of contents. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to in paragraph one present fairly, in all material respects, the financial position of the Fire Protection District No. 4 of Livingston Parish, Louisiana, as of December 31, 1997, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

Fire Protection District No. 4 of
Livingston Parish

In accordance with Government Auditing Standards, we have also issued a report dated February 4, 1998, on our consideration of Fire District No. 4 of Livingston Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The individual fund and individual account group financial statements and the supplementary information and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the component unit financial statements of the Fire Protection District No. 4 of Livingston Parish, Louisiana. Such information has been subjected to the auditing procedures applied in the examination of the component unit financial statements, and, in our opinion, the information is fairly stated in all material respects in relation to the component unit financial statements taken as a whole.

Respectfully submitted,

Thomas J. Bourgeois, L.L.P.

COMPONENT UNIT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - CONTINUED)

<u>ACCOUNT GROUPS</u>		<u>TOTAL</u>	
<u>GENERAL</u>	<u>GENERAL</u>	<u>MEMORANDUM COSTS</u>	
<u>FIXED</u>	<u>LONG-TERM</u>	<u>1997</u>	<u>1998</u>
<u>ASSETS</u>	<u>DEBT</u>		
\$ -	\$ -	\$ 309,132	\$ 329,384
-	-	258,100	254,324
-	-	167,550	-
2,057,384	-	2,057,384	1,193,323
-	-	22,969	23,744
-	-	5,792	1,733
-	-	493	-
-	10,302	31,302	34,498
-	6,572	6,572	6,166
-	<u>928,600</u>	<u>924,028</u>	<u>302,700</u>
<u>\$2,057,384</u>	<u>\$ 928,604</u>	<u>\$3,783,385</u>	<u>\$1,940,985</u>

\$ -	\$ -	\$ 62,356	\$ 17,349
-	-	9,260	3,105
-	-	-	-
-	-	5,792	1,733
-	206,322	206,322	225,025
-	-	-	13,143
-	750,100	750,009	-
-	<u>6,372</u>	<u>8,322</u>	<u>5,166</u>
-	<u>922,894</u>	<u>1,034,437</u>	<u>363,449</u>

<u>ACCOUNT GROUPS</u>		<u>TOTAL</u>	
<u>GENERAL</u>	<u>GENERAL</u>	<u>(MEMORANDUM ONLY)</u>	
<u>Fund</u>	<u>LONG-TERM</u>	<u>1987</u>	<u>1988</u>
<u>ASSETS</u>	<u>DEBT</u>		
2,857,384	-	2,857,384	3,199,323
-	-	32,393	34,458
-	-	51,446	70,608
-	-	<u>602,221</u>	<u>183,224</u>
<u>2,857,384</u>	-	<u>2,748,873</u>	<u>3,480,323</u>
<u>12,857,384</u>	<u>\$ 352,894</u>	<u>43,783,345</u>	<u>\$1,343,985</u>

Fire Protection District No. 4 of
Livingston Parish

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 1997

	GOVERNMENTAL FUND TYPES		TOTAL MEMORANDUM ONLY	
	GENERAL	DEBT SERVICE		
			1997	1996
Revenues:				
Property Taxes	\$ 265,935	\$ 29,081	\$ 294,836	\$271,988
Intergovernmental	69,512	-	69,512	69,239
Interest	13,373	1,267	14,640	8,520
Fire Insurance Commissions	48,888	-	48,888	47,863
Other	2,301	-	2,301	1,981
Usef Fees	<u>281,622</u>	<u>-</u>	<u>281,622</u>	<u>-</u>
Total Revenues	681,181	30,358	711,539	398,591
Expenditures:				
Salaries and Labor	86,537	-	86,537	88,384
Board Members Per Diem	1,328	-	1,328	-
Collection Fees	73,628	880	74,518	9,236
Bad Debts and Property Tax Adjustments	16,317	1,361	17,618	1,943
Capital Asset Expenditures	884,861	-	884,861	86,387
Dues and Subscriptions	811	-	811	442
Election Expenditures	-	-	-	13,781
Gas and Oil	8,821	-	8,821	9,145
Insurance	33,757	-	33,757	35,688
Janitorial and Kitchen Supplies	1,814	-	1,814	1,484
Accounting and Legal	6,329	-	6,329	6,008
Maintenance Contracts	878	-	878	763
Miscellaneous	1,379	10	1,389	4,252
Office Supplies and Postage	3,884	-	3,884	3,713
Repairs and Maintenance	21,537	-	21,537	28,988
Small Tools and Supplies	16,364	-	16,364	14,817
Taxes, Licenses and Permits	7,423	-	7,423	6,357
Telephones	7,394	-	7,394	9,181
Training and Continued Education	3,064	-	3,064	2,402
Utilities	12,753	-	12,753	15,885
Debt Services				
Principal Retirement	12,142	18,783	30,925	38,736
Interest	<u>21,365</u>	<u>11,620</u>	<u>32,985</u>	<u>14,181</u>
Total Expenditures	1,211,919	32,424	1,244,343	374,844
Excess (Deficiency) of Revenues Over Expenditures	(530,738)	(2,156)	(532,894)	23,747

(CONTINUED)

Fire Protection District No. 4 of
Livingston Parish

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES - (CONTINUED)

For the Year Ended December 31, 1997

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTAL (MEMBERSHIP ONLY)</u>	
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>1997</u>	<u>1996</u>
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>1997</u>	<u>1996</u>
Other Financing Sources (Uses):				
Proceeds from Issuance of Certificates of Indebtedness	750,000	-	750,000	-
Cost of Issuance of the Certificates of Indebtedness	(111,567)	-	(111,567)	-
Excess of Revenues and other sources over Expenditures and Other Uses	208,643	(2,158)	204,485	23,363
Fund Balances at Beginning of Year	<u>452,542</u>	<u>38,458</u>	<u>487,020</u>	<u>463,637</u>
Fund Balances at End of Year	<u>\$ 659,187</u>	<u>\$ 32,303</u>	<u>\$ 691,490</u>	<u>\$497,000</u>

The accompanying notes constitute an integral part of this statement.

Fire Protection District No. 4 of
Livingsston Parish

COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND CHARGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS)
AND ACTUAL - GENERAL FUND AND DEBT SERVICE FUNDS

For the Year ended December 31, 1997

GENERAL FUND

	ACTUAL GAAP BASIS	ADJUSTMENTS TO CASH BASIS	ACTUAL CASH BASIS	BUDGET CASH BASIS	VARIANCE - FAVORABLE UNFAVORABLE
REVENUES:					
Property Taxes \$	265,935	\$ (17,974)	\$247,961	\$ 248,000	\$ 7,941
Intergovernmental	89,143	(223)	88,860	88,000	860
Interest	13,373	-	13,373	5,100	8,273
Fire Insurance Commissions	48,888	-	48,888	47,000	1,888
Other	2,201	-	2,201	1,200	1,001
Debt Fees	<u>200,622</u>	<u>1167,300</u>	<u>133,024</u>	<u>-</u>	<u>133,024</u>
Total Revenues	681,181	(185,795)	494,316	361,300	133,016
Expenditures:					
Salaries and Labor	96,597	(3,145)	93,392	110,000	14,608
Board Members Per Diem	1,320	-	1,320	2,200	880
Collection Fees	73,828	(44,184)	29,527	7,000	(23,527)
Bad Debts and Property Tax Adjustments	18,419	(15,717)	-	-	-
Capital Asset Expenditures	654,051	(732,088)	112,976	90,800	(22,976)
Dues and Sub- scriptions	811	-	811	2,500	1,689
Gas and Oil	8,821	(3,125)	4,696	14,500	9,804
Insurance	33,757	(723)	33,034	69,400	36,366
Janitorial and Kitchen Supplies	1,834	-	1,834	2,000	166
Professional Fees	6,329	(525)	5,804	7,000	1,196
Maintenance Contracts	678	(444)	234	1,500	1,266
Miscellaneous	1,779	462	2,241	3,810	769
Office Supplies and Postage	2,884	-	2,884	3,000	116
Repairs and Maintenance	21,527	362	21,889	52,600	30,711

(CONTINUED)

DEBT SERVICE FUND				
ACTUAL GRAP BASIS	ADJUSTMENTS TO CASE BASIS	ACTUAL CASH BASIS	BUDGET CASH BASIS	VARIANCE - FAVORABLE UNFAVORABLE
\$ 29,011	\$ (3,224)	\$ 25,777	\$ 24,131	\$ 1,646
-	-	-	-	-
1,267	-	1,267	-	1,267
-	-	-	-	-
-	-	-	-	-
<u>30,278</u>	<u>(3,224)</u>	<u>27,044</u>	<u>24,131</u>	<u>2,913</u>
-	-	-	-	-
-	-	-	-	-
798	1841	926	-	(926)
2,795	11,761	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
18	-	10	10	-
-	-	-	-	-
-	-	-	-	-

Fire Protection District No. 4 of
Livingston Parish

COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS)
AND ACTUAL - GENERAL FUND AND DEBT SERVICE FUNDS (CONTINUED)

For the Year Ended December 31, 1997

	GENERAL FUND				
	ACTUAL GAAP BASIS	ADJUSTMENTS TO CASH BASIS	ACTUAL CASH BASIS	BUDGET CASH BASIS	VARIANCE - FAVORABLE (UNFAVORABLE)
Small Tools and Supplies	16,364	263	16,627	16,500	12,853
Taxes, Licenses and Permits	7,433	-	7,433	8,400	967
Telephone	7,934	860	8,854	9,800	146
Training and Continued Education	3,866	553	3,619	10,800	6,381
Utilities	12,762	342	13,094	18,800	2,986
Debt Service:					
Principal					
Retirements	12,142	-	12,142	12,142	-
Interest	21,803	-	21,825	18,798	(2,307)
Total Expen- ditures	<u>1,211,919</u>	<u>(812,088)</u>	<u>399,913</u>	<u>455,300</u>	<u>55,387</u>
Excess (Defi- ciency) of Revenues over Expenditures	(531,788)	436,251	94,433	(94,000)	198,423
Other Financing Sources (Uses):					
Proceeds from Issuance of Certificates of Indebtedness	750,000	(750,000)	-	-	-
Cost of Issu- ance of Certi- ficates of Indebtedness	(11,567)	-	(11,567)	(6,300)	(4,563)
Excess of Revenues and Other Sources Over Expendi- tures and Other Uses	206,645	(123,799)	82,954	(100,800)	182,856
Fund Balances at Beginning of Year	<u>432,542</u>	<u>(224,683)</u>	<u>217,857</u>	<u>217,857</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 639,187</u>	<u>\$(158,474)</u>	<u>\$ 480,713</u>	<u>\$ 217,857</u>	<u>\$ 262,856</u>

The accompanying notes constitute an integral part of this statement.

<u>DEBT SERVICE FUND</u>				
ACTUAL GAAP BASIS	ADJUSTMENTS TO CASE BASIS	ACTUAL CASH BASIS	BUDGET CASH BASIS	VARIANCE - FAVORABLE (UNFAVORABLE)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
18,783	-	18,783	18,783	-
<u>11,028</u>	<u>-</u>	<u>11,620</u>	<u>11,028</u>	<u>-</u>
<u>32,424</u>	<u>11,785</u>	<u>39,859</u>	<u>29,733</u>	<u>(916)</u>
(2,198)	11,458	(3,418)	(9,402)	1,987
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(2,198)	11,458	(3,418)	(9,402)	1,987
<u>34,488</u>	<u>123,311</u>	<u>11,521</u>	<u>11,527</u>	<u>-</u>
<u>\$ 32,302</u>	<u>\$ 24,280</u>	<u>\$ 7,913</u>	<u>\$ 9,938</u>	<u>\$ 1,987</u>

Fire Protection District No. 4 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1997

11) Summary of Significant Accounting Policies -

The Fire Protection District No. 4 "the District" of Livingston Parish is a body corporate created by the Livingston Parish Police Jury, (now Livingston Parish Council) as provided by Louisiana Revised Statutes. The Fire District is governed by a board of five commissioners, two of whom are appointed by the Livingston Parish Council, two of whom are appointed by the Mayor and Board of Aldermen of the Town of Walker, Louisiana and one member to be selected by the four members appointed. The Fire District was created on March 22, 1973 for the purpose of providing fire protection and prevention to District No. 4 of the Parish of Livingston.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB), is the standard-setting body for governmental accounting and financial reporting. On June 30, 1996, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Fire Protection District No. 4 of Livingston Parish Board of Commissioners. Control by or dependence on the board was determined on the basis of taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

In conformance with Governmental Accounting Standards Board, Statement 14, the Fire District is a component unit of the Livingston Parish Council (formerly the Livingston Parish Police Jury), the governing body of the parish. The accompanying financial statements present information only on the funds and account groups maintained by the Fire District and do not present information on the Council and the general government services provided by that governmental unit.

Fire Protection District No. 4 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1997

B. Fund Accounting

The accounts of the Fire District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds of the Fire District are grouped, in the financial statements in this report, into two generic fund types and one broad fund category as follows:

General Fund - The General Fund is the general operating fund of the Fire District. It is used to account for all financial resources except those 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 debt principal, interest, and related costs.

In addition to the two generic fund types, the District maintains two account groups. The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

General Fixed Asset Account Group - The fixed assets used in the governmental fund type operations of the Fire District are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. Donated assets are recorded at their fair market value at date of donation.

General Long-Term Debt Account Group - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental fund type operations.

Fire Protection District No. 4 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1997

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses 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. Property taxes are recorded as revenues when levied even though a portion of the taxes may be collected in subsequent years.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

D. Budgetary Practices

The District utilizes the following budgetary practices:

The Fire Chief prepares the annual budget which is based on what is expected to be collected during the fiscal year and it is approved by the Board of Commissioners. The adopted budget constitutes the authority of the Fire Chief to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

The budgets of the District are prepared on the cash basis of accounting and did not include the proceeds of the 1997 Certificates of Indebtedness or the equipment purchased with those proceeds.

E. Bad Debts

Uncollectible amounts due for property taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Estimated uncollectible amounts due for user fees are recognized as bad debts and as a reduction of revenue, as a lien cannot be placed on the property for these uncollectible fees.

Fire Protection District No. 4 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1997

F. Total Columns on Combined Statements

Total Columns on the Combined Statements is captioned (Memorandum Only) to indicate that it is presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

G. Accumulated Unpaid Vacation and Compensatory Pay

At December 31, 1997 the District's liability for accumulated unpaid vacation and compensatory pay has been recorded in the general long-term debt group of accounts.

H. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

I. Retirement Commitments

All employees of the District are required to be members of the Social Security System. This is the only retirement system of the District. The District contributed \$7,319 to the system during the year as its share of contributions. Future deficits in the system will be financed by the Federal Government and the District has no further liability to the system.

(2) Property Taxes -

On October 1, 1994, the voters of District No. 4 of Livingston Parish approved the renewal of a ten year 10 mill property tax to be assessed on the value of all property subject to taxation in the District. The tax will be levied annually for the period of ten years beginning January 1, 1995 and ending with the year beginning January 1, 2004. The tax shall be used for the purpose of maintaining and operating the District's fire protection facilities and paying the costs of obtaining water for fire protection purposes, including charges for fire hydrant rentals and services.

Fire Protection District No. 4 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1997

Property taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

The Fire District's taxes are collected by the Livingston Parish Tax collector and are remitted to the Fire District monthly. The Fire District pays the Assessor's Office a fee for this service.

For the year 1997, taxes of 18.17 mills were levied on property with assessed valuations totaling \$19,088,868.

Total taxes assessed and taxes receivable at December 31, 1997, are as follows:

	<u>GENERAL OPERATIONS 2.17 MILLS</u>	<u>DEPT SERVICE 1.60 MILLS</u>	<u>TOTAL</u>
Total 1997 Taxes Assessed	\$ 346,936	\$ 29,601	\$ 376,536
Less: Current Year Taxes Collected in 1997	<u>(19,926)</u>	<u>(12,371)</u>	<u>(32,297)</u>
Taxes Receivable - Current Year	246,936	26,930	273,846
Prior Year Tax Receivables at December 31, 1996	249,730	26,209	275,939
Less: Prior Year Tax Collected in 1997	128,845	12,608	(141,453)
Writeoff of Prior Year Uncollectible Taxes	<u> </u>	<u> </u>	<u> </u>
Taxes Receivable - Prior Years	<u>15,665</u>	<u>1,601</u>	<u>17,266</u>
Total Property Taxes Receiv- able at December 31, 1997	261,604	28,431	290,035
Allowance for Uncollectible Accounts	<u>(28,361)</u>	<u>(1,052)</u>	<u>(29,413)</u>
Net Property Tax Receivable at December 31, 1997	<u>\$ 233,223</u>	<u>\$ 27,380</u>	<u>\$ 260,603</u>

Fire Protection District No. 4 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1997

(1) Changes in General Fixed Assets -

A summary of changes in general fixed assets is as follows:

	BUILDING	FURNITURE AND EQUIPMENT	VEHICLE AND TRUCKS	LAND	CONSTRUC- TION IN PROGRESS	TOTAL
Balance - January 1, 1997	\$228,883	\$345,415	\$ 394,376	\$ 25,000	\$ 188,387	\$1,182,061
Additions	128,398	28,818	784,895	-	32,388	1,214,499
Deletions	-	-	-	-	(122,287)	(122,287)
Balance - December 31, 1997	\$357,281	\$374,233	\$1,179,271	\$ 25,000	\$ 98,488	\$2,034,273

Plainview Station

On June 9, 1995, the District purchased land for the construction of a Plainview Station. The cost of the land was \$5,000. In addition, the District had a metal building built on the property and has begun to work on the interior of the building. Total cost incurred for the construction of the building to December 31, 1997 is \$41,588. The total estimated remaining construction cost at December 31, 1997, is estimated to be \$100.

Arnold Road Station

On August 2, 1996, the District purchased land for the construction of an Arnold Road Station. The cost of the land was \$5,000. In addition, the District had a metal building built on the property and has begun to work on the interior portion of the building. Construction cost on the building to December 31, 1997, has amounted to \$89,119. The total remaining construction cost are estimated to be \$2,780.

Crown Oaks Station

In May of 1996, the District began the preliminary work to build a new fire station on land that had been donated to the District. The total cost incurred on this project as of December 31, 1997 was \$39,328. The total remaining construction cost are estimated to be \$3,580 to complete the new fire station.

Fire Protection District No. 4 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1997

(4) Changes in Long-Term Debt -

- A. The following is a summary of bond transactions of the District for the year ended December 31, 1997:

Bond Payable at January 1, 1997	\$220,920
Increase in Bonds Issued	-
Bond Retired Current Year	<u>19,723</u>
Bond Payable at December 31, 1997	<u>\$206,322</u>

General Obligation Bond:

On October 28, 1976, the District issued a public improvement bond in the amount of \$450,920 for the purpose of purchasing, constructing, and acquiring land, building, equipment and other facilities to aid in providing fire protection to District No. 4. The bond was purchased by the United States Department of Agriculture - Farmers Home Administration. All bond proceeds were expended for the designated purpose prior to June 30, 1982.

On September 1, 1987, Farmers Home Administration under the requirements of the Omnibus Budget Reconciliation Act of 1986 was required to sell a number of randomly selected Community Program loans. The District's loan was one selected for sale. The new owner of the District's loan is Community Program Loan Trust and is being serviced by GMAC Commercial Mortgage Corporation. All subsequent payments and requirements of the original issue remain the same. The District makes payments on the bond indebtedness in annual installments of \$29,723 which includes interest at 3% per annum. The bonded indebtedness at December 31, 1997 was \$206,322.

A schedule of the outstanding 1976 General Obligation Bond and the interest and principal requirements by dates is as follows:

DUPLICATE DATE	PRINCIPAL	INTEREST	TOTAL
October 28, 1988	\$ 19,999	\$ 10,324	\$ 29,723
October 28, 1989	20,369	9,354	29,723
October 28, 1990	21,007	8,336	29,723
October 28, 1991	22,457	7,266	29,723
October 28, 1992	23,679	6,144	29,723
October 28, 1993	24,758	4,969	29,723
October 28, 1994	25,886	3,727	29,723
October 28, 1995	27,286	2,427	29,723
October 28, 1996	<u>21,881</u>	<u>1,063</u>	<u>22,944</u>
Total General Obligation Bond	<u>\$206,322</u>	<u>\$ 53,636</u>	<u>\$259,920</u>

Fire Protection District No. 4 of
Livingston Parish

NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1997

- B. The following is a summary of capital lease payable transactions of the District for the year ended December 31, 1997:

Capital Lease Payable at January 1, 1997	\$ 12,142
Increase in Capital Leases	-
Capital Lease Retirement Current Year	<u>(12,142)</u>
Capital Lease Payable at December 31, 1997	<u>\$ -</u>

General Obligation Under Capital Lease:

With approval from the State Bond Commission, the District on June 28, 1990, entered into a Lease Purchase Agreement with FMC Corporation for the purchase of a firetruck (Starfire Pumper). After the initial payment of \$16,958 in 1990, the District makes payments on the capital lease indebtedness in annual installments of \$13,174, which includes interest at 8.50% per annum. The capital lease indebtedness at December 31, 1997 was \$-0-.

- C. The following is a summary of the Certificates of Indebtedness transactions of the District for the year ended December 31, 1997:

Certificates Payable at January 1, 1997	\$ -
Increase in Certificates Issued	750,000
Certificates Redeemed Current Year	<u>-</u>
Certificates Payable at December 31, 1997	<u>\$750,000</u>

General Obligation Certificate of Indebtedness:

On May 16, 1997, the District issued Excess Revenue Certificates of Indebtedness, Series, 1997, the amount of \$750,000 at an annual interest rate of 5.37% for the purpose of purchasing five fire trucks. All proceeds were expended for the purchase of the five trucks in 1997.

The Certificates are secured and payable solely from a pledge and dedication of the excess of Annual Revenues above statutory, necessary and usual charges of the District for each fiscal year beginning January 1, 1997 through December 31, 2006.

Fire Protection District No. 4 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1997

A schedule of the outstanding Certificates and the interest and principal requirements by dates is as follows:

DUE DATE	PRINCIPAL	INTEREST	TOTAL
May 15, 1999	\$ 87,000	\$ 20,110	\$ 107,110
November 15, 1999		18,330	18,330
May 15, 1999	71,000	18,330	89,330
November 15, 1999		16,432	16,432
May 15, 2000	75,000	16,432	91,432
November 15, 2000		14,418	14,418
May 15, 2001	79,000	14,418	93,418
November 15, 2001		12,389	12,389
May 15, 2002	83,000	12,389	95,389
November 15, 2002		10,350	10,350
May 15, 2003	86,000	10,350	96,350
November 15, 2003		8,306	8,306
May 15, 2004	91,000	7,780	98,780
November 15, 2004		5,343	5,343
May 15, 2005	97,000	5,343	102,343
November 15, 2005		2,739	2,739
May 15, 2006	102,000	2,739	104,739
Total Certificates of Indebtedness	<u>\$758,000</u>	<u>\$185,410</u>	<u>\$943,410</u>

(5) Intergovernmental Revenues -

During the year ended December 31, 1997, the District received state revenue sharing funds of \$69,112.

(6) Other Income -

Other income for the year ended December 31, 1997, is composed of the following:

Grant from Louisiana Forestry Commission	\$ 400
Donations	1,800
Miscellaneous	<u>112</u>
Total Other Income	<u>\$ 2,301</u>

Fire Protection District No. 4 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1997

173 Litigation -

As December 31, 1997, there is no litigation pending against the Fire District.

180 Cash and Cash Equivalents -

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit. Under state law the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the District may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

As confirmed by the fiscal agent, the District had cash and cash equivalents totalling \$315,234 with a carrying value of \$308,132 as December 31, 1997. Cash and cash equivalents are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to the parties involved. The following is a summary of cash and cash equivalents as December 31, 1997, with the related federal deposit insurance and pledged securities, if any. The cash and cash equivalents at December 31, 1997, were secured as follows:

	CONFIRMED BANK BALANCE DECEMBER 31, 1997	FDIC INSURANCE	BALANCE UNINSURED
Cash in Interest Bearing Checking Accounts	\$315,234	\$100,000	\$215,234
Total	<u>\$315,234</u>	<u>\$100,000</u>	215,234
Uncollateralized - Securities Pledged and Held by the Custodial Bank in the Name of the Fiscal Agent			101,132
Deficiency of FDIC Insurance and Pledged Securities over Cash and Cash Equivalents			\$ NONE

Fire Protection District No. 4 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 1997

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 19:1129 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

(9) Fire Protection Service Fees -

On July 30, 1994, a special election was held within District No. 4. The Voters of District No. 4 of Livingston Parish approved the authorization to collect an amount not to exceed \$33.00 per annum for each residential or commercial structure for a term not to exceed ten years commencing January 1, 1997.

Total Fire Protection Service Fees estimated to collect for the year 1997 is as follows:

Total Number of Residential and Commercial Structures Within the District	3,532
	<u>\$ 332.00</u>
Total Gross 1997 Service Fees to Collect	\$ 305,024
Less: Estimated % Uncollectible	<u>(24,402)</u>
Total Net 1997 Service Fees to Collect	280,622
Service Fees Collected in 1997	<u>113,024</u>
Net Service Fees Receivable at December 31, 1997	<u>\$ 167,598</u>

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Fire Protection District No. 4 of
Livingston Parish
GENERAL FUND

COMPARATIVE BALANCE SHEETS

December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash on Hand and in Banks	\$ 294,428	\$ 216,128
Property Tax Receivables, Net of Allowance for Uncollectible Accounts of \$28,961 in 1997 and \$13,344 in 1996	232,723	230,466
User Fees Receivable	167,508	-
State Revenue Sharing Receivable	22,969	22,740
Due from Debt Service Fund	5,760	1,733
Other Asset	<u>433</u>	<u>-</u>
Total Assets	<u>\$ 724,803</u>	<u>\$ 471,067</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 51,566	\$ 18,422
Accrued Payroll	3,250	2,105
Payroll Taxes Payable	<u>-</u>	<u>-</u>
Total Liabilities	54,816	18,527
Fund Balance:		
Unreserved:		
Designated for Capital Additions	51,668	70,609
Undesignated	<u>601,531</u>	<u>361,934</u>
Total Fund Balance	653,199	432,543
Total Liabilities and Fund Balance	<u>\$ 724,803</u>	<u>\$ 471,067</u>

See auditor's report.

Fire Protection District No. 4 of
Livingston Parish
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

for the Years Ended December 31, 1997 and 1996

	1997	1996
Revenues:		
Property Taxes	\$ 285,935	\$ 246,453
Intergovernmental	60,212	68,229
Interest	13,373	7,719
Fire Insurance Commissions	48,888	47,503
Other	2,201	1,991
User Fees	288,622	-
Total Revenues	688,131	371,896
Expenditures:		
Salaries and Labor	96,531	88,384
Bad Debts and Property Tax Adjustments	15,737	2,168
Board Members Per Diem	1,320	-
Capital Asset Expenditures	664,661	98,797
Collection Fees	79,829	8,349
Dues and Subscriptions	611	682
Electric Expenditures	-	13,781
Gas and Oil	8,821	8,145
Insurance	33,737	25,588
Janitorial and Kitchen Supplies	3,934	1,884
Accounting and Legal	8,329	5,880
Maintenance Contracts	878	342
Miscellaneous	3,379	4,349
Office Supplies and Postage	2,884	2,713
Repairs and Maintenance	21,537	24,308
Small Tools and Supplies	18,384	18,637
Taxes, Licenses and Permits	7,433	6,737
Telephone	7,999	8,193
Training and Continued Education	3,098	2,882
Utilities	13,751	11,888
Debt Service:		
Principal	12,142	11,391
Interest	21,585	1,862
Total Expenditures	1,311,819	343,809
Excess (Deficiency) of Revenues over Expenditures	(623,688)	28,087

(CONTINUED)

Fire Protection District No. 4 of
 Livingston Parish
 GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - (CONTINUED)

For the Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Other Financing Sources (Transf):		
Proceeds from the Issuance of Certificates of Indebtedness	750,000	-
Cost of Issuance of the Certificates of Indebtedness	<u>(21,567)</u>	<u>-</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	206,645	38,088
Fund Balance at Beginning of Year	<u>432,542</u>	<u>424,454</u>
Fund Balance at End of Year	<u>\$ 659,107</u>	<u>\$ 432,542</u>

See auditor's report.

DEBT SERVICE FUND

To accumulate resources for and to account for the payment of principal and interest on general obligation bonds.

General Obligation Bond - Issued October 20, 1976, for the purpose of constructing buildings and purchasing land and fire protection equipment for the Fire Protection District No. 4 of Livingston Parish. Payments are due in annual installments of principal and interest of \$29,323 until maturity in 2006. Interest is at 5.01%. Revenues from property taxes are dedicated to service this debt.

Fire Protection District No. 4 of
Livingston Parish
DEBT SERVICE FUND

COMPARATIVE BALANCE SHEETS

December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash in Bank	\$ 13,796	\$ 13,360
Property Tax Receivables, Net of Allowance for Uncollectible Accounts of \$3,051 in 1997 and \$1,351 in 1996	<u>25,322</u>	<u>23,658</u>
Total Assets	<u>\$ 39,118</u>	<u>\$ 37,018</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 990	\$ 927
Due to General Fund	<u>5,792</u>	<u>2,733</u>
Total Liabilities	6,782	2,660
Fund Balances:		
Reserved for Debt Service	<u>32,332</u>	<u>34,458</u>
Total Liabilities and Fund Balance	<u>\$ 39,118</u>	<u>\$ 37,118</u>

See auditor's report.

Fire Protection District No. 4 of
Livingston Parish
DEPT SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Property Taxes	\$ 29,981	\$ 29,613
Interest	<u>1,267</u>	<u>793</u>
Total Revenues	30,248	28,312
Expenditures:		
Collection Fees	390	927
Bad Debts and Property Tax Adjustments	1,701	375
Miscellaneous	10	10
Bond Principal	19,703	17,945
Bond Interest	<u>11,620</u>	<u>12,178</u>
Total Expenditures	32,424	31,835
Excess (Deficiency) of Revenues over Expenditures	(2,176)	14,723
Fund Balance at Beginning of Year	<u>38,458</u>	<u>39,181</u>
Fund Balance at End of Year	<u>\$ 36,302</u>	<u>\$ 34,458</u>

See auditor's report.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not specifically accounted for by other funds.

Fire Protection District No. 4 of
Livingston Parish

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS - BY SOURCE

December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
General Fixed Assets, at Cost:		
Land	\$ 29,000	\$ 29,000
Buildings	348,781	228,383
Furniture and Equipment	388,437	365,418
Autom and Trucks	1,193,298	984,976
Construction in Progress	<u>119,362</u>	<u>180,151</u>
Total General Fixed Assets	<u>\$2,057,394</u>	<u>\$1,193,323</u>
Investment in General Fixed Assets From:		
General Obligation Bond	\$ 423,120	\$ 423,120
Certificates of Indebtedness	750,000	-
General Fund Revenues	872,338	758,189
Donations	<u>14,034</u>	<u>14,034</u>
Total Investment in General Fixed Assets	<u>\$2,057,394</u>	<u>\$1,193,323</u>

See auditor's report.

Fire Protection District No. 4 of
Livingston Parish

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

For the Year Ended December 31, 1987

	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>FURNITURE AND EQUIPMENT</u>	<u>AUTOS AND TRUCKS</u>	<u>CONSTRUC- TION IN PROGRESS</u>
General Fixed Assets at beginning of Year	\$1,193,303	\$ 23,009	\$228,360	\$465,419	\$ 386,075	\$ 190,150
Additions:						
General Fund Revenues	228,403	-	112,398	15,018	46,856	52,129
Certificates of Indebtedness Proceeds	750,000	-	-	-	750,000	-
Deductions:						
Assets Removed or Transferred	(112,388)	-	-	-	-	(112,388)
General Fixed Assets at End of Year	<u>\$2,057,384</u>	<u>\$ 23,009</u>	<u>\$340,761</u>	<u>\$380,437</u>	<u>\$1,193,236</u>	<u>\$ 119,947</u>

See auditor's report.

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service funds. To also account for the accumulated unpaid vacation to be financed from the general fund.

Fire Protection District No. 4 of
Livingston Parish

COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT

December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT:		
Amount Available in the Debt Service Fund for Debt Retirement	\$ 32,300	\$ 34,458
Amount to be Provided for Retirement of General Long-Term Debt:		
From Dedicated Property Taxes	174,620	150,387
From General Funds	-	12,142
From User Fees	765,600	-
Amount to be Provided for Accumulated Unpaid Vacation and Compensatory Time	<u>4,572</u>	<u>5,308</u>
Total Available and to be Provided	<u>\$ 962,894</u>	<u>\$ 342,475</u>
GENERAL LONG-TERM DEBT PAYABLE:		
General Obligation Bond	\$ 394,322	\$ 325,625
Certificates of Indebtedness	758,000	-
General Obligation Under Capital Lease	-	12,142
Accumulated Unpaid Vacation and Compensatory Time	<u>4,572</u>	<u>5,308</u>
Total General Long-Term Debt	<u>\$ 962,894</u>	<u>\$ 342,475</u>

See auditor's report.

OTHER SUPPLEMENTARY INFORMATION

Fire Protection District No. 4 of
Livingston Parish

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

For the Years Ended December 31, 1997 and 1996

<u>NAME, ADDRESS AND PHONE NUMBER</u>	<u>TERM OF OFFICE</u>	<u>1997</u>	<u>1996</u>
Ivy B. Day Chairman 12840 Day Street Walker, LA 70785 667-1667	2 Years	\$ -	\$ -
Ricky E. Goff Vice-Chairman 19271 Betty Drive Walker, LA 70785 665-1628	2 Years	\$ 300	\$ -
Gary Lass 14435 Scivlogos Lane Fort Vincent, LA 70728 698-6233	2 Years	\$ 300	\$ -
Ralph C. Sibley 19885 Friendship Road Walker, LA 70785 664-1364	2 Years	\$ 300	\$ -
Donald E. Dedon 34220 Walker North Road Walker, LA 70785 665-6713	2 Years	\$ 328	\$ -
		<u>\$ 1,328</u>	<u>\$ -</u>

Fire Protection District No. 4 of
Livingston Parish

SCHEDULE OF INSURANCE IN FORCE

December 31, 1997

<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
Louisiana Workers' Compensation Corporation	Workmen's Compensation	\$ 500,000	12/31/97
Cigna	Commercial Auto Policy	\$ 500,000	3/01/98
Fidelity and Deposit In- surance Co.	Surety Bonds- Fire Chief Secretary	\$ 100,000 \$ 100,000	3/28/98 3/28/98
Cigna	Multi-Peril Business Policy	\$2,000,000	3/01/98

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF THE GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS



Hannis T. Bourgeois, L.L.P.

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1331 Highway 670, Suite 200
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February 4, 1998

Board of Commissioners
Fire Protection District No. 4 of
Livingston Parish
Livingston Parish Council
Denham Springs, Louisiana

We have audited the general purpose financial statements of the Fire Protection District No. 4 of Livingston Parish, Louisiana, as of and for the year ended December 31, 1997, and have issued our report thereon dated February 4, 1998. 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 District's financial statements are free of material misstatements, 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 District'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 components

Fire Protection District No. 4 of
Livingston Parish
Livingston Parish Council

does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 for the use of management and the office of the Legislative Auditor, State of Louisiana, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Fire Protection District No. 4 of Livingston Parish, Louisiana, is a matter of public record.

Respectfully submitted,

Thomas J. Bourgeois, L.L.P.