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FIRE PROTECTION DISTRICT NO. 5
OF LIVINGSTON PARISH

REPORT ON AUDIT OF
COMPONENT UNIT FINANCIAL STATEMENTS

DECEMBER 31, 1998

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 MAR 2 4 1999

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January 14, 1999

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Fire Protection District No. 5 of
Livingston Parish
Livingston Parish Council
Denham Springs, Louisiana

We have audited the accompanying component unit only financial statements of the Fire Protection District No. 5 of Livingston Parish, Louisiana, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 1998, 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. 5 of Livingston Parish, Louisiana, as of December 31, 1998, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 14, 1999, on our consideration of Fire Protection District No. 5 of Livingston Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Fire Protection District No. 5 of
Livingston Parish

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. 5 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,

Harris J. Bourgeois, C.P.A.

Fire Protection District No. 5 of
Livingston Parish

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1998

ASSETS	GOVERNMENTAL FUND TYPE	
	GENERAL	DEBT SERVICE
Cash and Cash Equivalents	\$ 19,229	\$ 2,732
Investments (Certificates of Deposit with Maturities Greater Than 90 Days)	126,859	-
Property Tax Receivables, Net of Allowance for Uncollectible Accounts	116,753	-
Due From Other Governments	22,000	-
Fixed Assets	-	-
Due from General Fund	-	703
Other Assets	1,198	-
Amounts Available in the Debt Service Fund for Debt Retirement	-	-
Amount to be Provided for Retirement of General Long-Term Debt	-	-
Total Assets	\$ 286,039	\$ 3,435
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts Payable	\$ 21,275	\$ -
Payroll Taxes Payable	2,511	-
Due to Debt Service Fund	703	-
Obligation Under Capital Lease	-	-
General Obligation Bond Payable	-	-
Total Liabilities	24,489	-
Fund Equity:		
Investment in General Fixed Assets	-	-
Fund Balance:		
Reserved for Debt Service	-	-
Unreserved - Undesignated	261,550	3,435
Total Fund Equity	261,550	3,435
Total Liabilities and Fund Equity	\$ 286,039	\$ 3,435

The accompanying notes constitute an integral part of this statement.

COMPONENT UNIT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Fire Protection District No. 5 of
Livingston Parish

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

For the Year Ended December 31, 1998

	GOVERNMENTAL FUND TYPE	
	GENERAL	DEBT SERVICE
Revenues:		
Taxes	\$ 135,216	\$ -
State Revenue Sharing	64,214	-
State Supplemental Pay	7,012	-
Interest	10,317	1,104
Fire Insurance Commission	24,027	-
Donations	4,936	-
Total Revenues	245,722	1,104
Expenditures:		
General Government:		
Bad Debts	9,743	403
Paying Agent Fees and Bank Charges	29	15
Call Out Reimbursement	3,382	-
Dispatch Services	6,000	-
Equipment and Property Purchases	351,687	-
Insurance	34,663	-
Legal and Accounting	7,428	-
Medical Expense	1,092	-
Miscellaneous	996	-
Assessor's Pension Fund	4,704	-
Repairs and Maintenance	14,720	-
Salary Expense and Related Taxes	64,023	-
Supplies and Small Equipment	13,445	-
Telephone and Utilities	11,627	-
Training	2,466	-
Vehicle Expenses	17,851	-
Debt Service:		
Principal Retirement	-	75,000
Interest	-	2,700
Total Expenditures	543,856	78,118
Excess (Deficiency) of Revenues over Expenditures	(298,134)	(77,014)
Other Financing Source:		
Proceeds from Capital Lease	267,136	-
Excess (Deficiency) of Revenues and Other Source over Expenditures	(30,998)	(77,014)
Fund Balances at Beginning of Year	292,548	80,449
Fund Balances at End of Year	\$ 261,550	\$ 3,435

The accompanying notes constitute an integral part of this statement.

ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1998	1997
\$ -	\$ -	\$ 21,961	\$ 101,079
-	-	126,859	125,615
-	-	116,753	145,276
-	-	22,000	21,151
1,426,418	-	1,426,418	1,101,231
-	-	703	4,421
-	-	1,198	1,548
-	-	-	75,000
-	267,136	267,136	-
<u>\$1,426,418</u>	<u>\$ 267,136</u>	<u>\$1,983,028</u>	<u>\$1,575,321</u>
\$ -	\$ -	\$ 21,275	\$ 20,460
-	-	2,511	1,212
-	-	703	4,421
-	267,136	267,136	-
-	-	-	75,000
-	267,136	291,625	101,093
1,426,418	-	1,426,418	1,101,231
-	-	-	75,000
-	-	264,985	297,997
<u>1,426,418</u>	<u>-</u>	<u>1,691,403</u>	<u>1,474,228</u>
<u>\$1,426,418</u>	<u>\$ 267,136</u>	<u>\$1,983,028</u>	<u>\$1,575,321</u>

TOTALS
(MEMORANDUM ONLY)

1998	1997
\$ 135,216	\$ 167,796
64,214	60,868
7,012	-
11,421	16,009
24,027	22,662
4,936	17,355
<u>246,826</u>	<u>284,690</u>
10,146	7,256
44	707
3,382	2,630
6,000	6,000
351,687	31,802
34,663	20,453
7,428	7,505
1,092	1,142
996	342
4,704	5,732
14,720	15,109
64,023	39,345
13,445	16,785
11,627	11,272
2,466	1,844
17,851	11,556
75,000	106,857
2,700	7,979
<u>621,974</u>	<u>294,316</u>
(375,148)	(9,626)
<u>267,136</u>	<u>-</u>
(108,012)	(9,626)
<u>372,997</u>	<u>382,623</u>
\$ <u>264,985</u>	\$ <u>372,997</u>

Fire Protection District No. 5 of
Livingston Parish

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND AND
DEBT SERVICE FUND

For the Year Ended December 31, 1998

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
Revenues:			
Taxes	\$ 120,000	\$ 135,216	\$ 15,216
State Revenue Sharing	63,000	64,214	1,214
State Supplemental Pay	7,000	7,012	12
Interest	8,100	10,317	2,217
Fire Insurance Commission	24,000	24,027	27
Donations	5,000	4,936	(64)
Total Revenues	227,100	245,722	18,622
Expenditures:			
General Government:			
Bad Debts	6,000	9,743	(3,743)
Paying Agent Fees and Bank Charges	75	29	46
Call Out Reimbursement	4,000	3,382	618
Dispatch Services	6,000	6,000	-
Equipment and Property Purchases	363,500	351,687	11,813
Insurance	34,300	34,663	(363)
Legal and Accounting	7,750	7,428	322
Medical Expenses	2,000	1,092	908
Miscellaneous	1,450	996	454
Assessor's Pension Fund	4,000	4,704	(704)
Repairs and Maintenance	15,500	14,720	780
Salary Expense and Related Taxes	65,000	64,023	977
Supplies and Small Equipment	13,550	13,445	105
Telephone and Utilities	12,750	11,627	1,123
Training	3,000	2,466	534
Vehicle Expenses	17,500	17,851	(351)
Debt Service:			
Principal Retirement	-	-	-
Interest	-	-	-
Total Expenditures	556,375	543,856	12,519
Excess (Deficiency) of Revenues over Expenditures	(329,275)	(298,134)	31,141
Other Financing Source:			
Proceeds from Capital Lease	(270,941)	267,136	(3,805)
Excess (Deficiency) of Revenues and Other Source over Expenditures	(58,334)	(30,998)	27,336
Fund Balance at Beginning of Year	292,548	292,548	-
Fund Balance at End of Year	\$ 234,214	\$ 261,550	\$ 27,336

The accompanying notes constitute an integral part of this statement.

<u>DEBT SERVICE FUND</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
\$ 500	\$ -	\$ (500)
-	-	-
-	-	-
1,200	1,104	(96)
-	-	-
-	-	-
<u>1,700</u>	<u>1,104</u>	<u>(596)</u>
900	403	497
400	15	385
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
75,000	75,000	-
<u>2,700</u>	<u>2,700</u>	<u>-</u>
<u>79,000</u>	<u>78,118</u>	<u>882</u>
(77,300)	(77,014)	286
<u>-</u>	<u>-</u>	<u>-</u>
(77,300)	(77,014)	286
<u>80,449</u>	<u>80,449</u>	<u>-</u>
<u>\$ 3,149</u>	<u>\$ 3,435</u>	<u>\$ 286</u>

Fire Protection District No. 5 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

(1) Summary of Significant Accounting Policies -

The Livingston Parish Fire Protection District No. 5 "the District" is a body corporate created by the Livingston Parish Council (formally Livingston Parish Police Jury), as provided by Louisiana Revised Statutes. The Fire District is governed by a board of five commissioners who are now appointed by the Livingston Parish Council.

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, 1998, 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 District's 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, 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.

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,

Fire Protection District No. 5 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(1) Summary of Significant Accounting Policies - (Continued) -

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 obligation bond 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. At December 31, 1998, estimated fair value of donated assets amounted to \$16,158.

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.

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.

Fire Protection District No. 5 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(1) Summary of Significant Accounting Policies - (Continued) -

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:

1. The Fire Chief prepares a proposed budget and submits same to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.

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.

All budget amounts presented in the financial statements have been adjusted for legally authorized revisions of the annual budget during the year. Appropriations, except encumbrances, lapse at the end of each year.

Fire Protection District No. 5 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(1) Summary of Significant Accounting Policies - (Continued) -

E. Encumbrances

Encumbrances outstanding at year end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. All Governmental Fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year end.

The actual results of operations are presented in accordance with GAAP and the District's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. Encumbrances are presented as a reservation for encumbrances on the balance sheets of the governmental funds. At December 31, 1998, the District had no outstanding encumbrances.

F. 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.

G. 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 the columns does 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.

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.

Fire Protection District No. 5 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(2) Property Taxes -

On July 15, 1995, a special election was held whereby the voters of Fire Protection District No. 5 of Livingston Parish approved the renewal of a 10 year 10.14 mill ad valorem tax assessed on all property subject to taxation within the district for the purpose of "maintaining, operating and developing the District's fire protection facilities and for purchasing fire trucks and other fire fighting equipment." The renewal begins with the year 1995 and ends with the year 2004.

A separate voter approved millage remained in effect through the year 1997 for payment of the 1988 General Obligation Bonds. These bonds were paid out June 1, 1998.

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 1998, taxes of 9.72 mills were levied on property with assessed valuations totaling \$13,911,280.

Total taxes assessed and taxes receivable at December 31, 1998, are as follows:

	<u>GENERAL OPERATIONS 9.72 MILLS</u>	<u>DEBT SERVICE 0.00 MILLS</u>	<u>TOTAL</u>
1998 Property Tax Assessed	\$ 135,216	\$ -	\$ 135,216
Less: Current Year Taxes Collected in 1998	<u>(10,350)</u>	<u>-</u>	<u>(10,350)</u>
Taxes Receivable - Current Year	124,866	-	124,866
Prior Years Tax Receivables at December 31, 1997	118,833	50,628	169,461
Less: Prior Years Tax Collected in 1997	(102,045)	(41,197)	(143,242)
Writeoff Balance of Prior Taxes Uncollected at December 31, 1998	<u>(16,788)</u>	<u>(9,431)</u>	<u>(26,219)</u>

(CONTINUED)

Fire Protection District No. 5 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

	<u>GENERAL OPERATIONS 9.72 MILLS</u>	<u>DEBT SERVICE 0.00 MILLS</u>	<u>TOTAL</u>
Taxes Receivable - Prior Years	-	-	-
Total Property Taxes Receivable at December 31, 1998	124,866	-	124,866
Less: Allowance for Uncollectible Accounts	<u>(8,113)</u>	<u>-</u>	<u>(8,113)</u>
Net Property Tax Receivable at December 31, 1998	<u>\$ 116,753</u>	<u>\$ -</u>	<u>\$ 116,753</u>

(3) Changes in General Fixed Assets -

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

	<u>LAND AND BUILDINGS</u>	<u>EQUIPMENT</u>	<u>FURNITURE AND FIXTURES</u>	<u>EQUIPMENT UNDER CAPITAL LEASE</u>	<u>TOTAL</u>
Balance - January 1, 1998	\$250,412	\$834,075	\$ 16,744	\$ -	\$1,101,231
Additions	-	26,106	-	325,581	351,687
Deletions	-	<u>(26,500)</u>	-	-	<u>(26,500)</u>
Balance - December 31, 1998	<u>\$250,412</u>	<u>\$833,681</u>	<u>\$ 16,744</u>	<u>\$325,581</u>	<u>\$1,426,418</u>

(4) Changes in Long-Term Debt -

The following is a summary of long-term debt transactions of the District for the year ended December 31, 1998:

Fire Protection District No. 5 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(4) Changes in Long-Term Debt - (Continued) -

	<u>OBLIGATION UNDER CAPITAL LEASE</u>	<u>BOND PAYABLE</u>	<u>TOTAL</u>
Principal Balance at January 1, 1998	\$ -	\$ 75,000	\$ 75,000
Increase in Debt	267,136	-	267,136
Principal Retired Current Year	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>
Principal Balance at December 31, 1998	<u>\$267,136</u>	<u>\$ -</u>	<u>\$267,136</u>

General Obligation Bond:

On June 1, 1988 the District issued a general obligation bond in the amount of \$500,000 for the purpose of purchasing, constructing, and acquiring land, buildings, equipment and other facilities to aid in providing fire protection to District No. 5. The final payment on this bond was made June 1, 1998.

(5) Obligations Under Capital Leases -

Leases are accounted for in accordance with Section L20 of the GASB Codification and NCGA Statement No. 5 which require governments to use the criteria contained in FASB Statement No. 13, *Accounting for Leases*, and GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, to classify leases as capital or operating leases. The GASB Codification and NCGA Statement No. 5 also require governmental fund assets under capital leases to be recorded in the General Fixed Assets Account Group and the lease obligation to be recorded in the General Long-Term Debt Account Group.

The District has entered a lease agreement to acquire or obtain the use of firefighting equipment (1998 HME fire truck with 75' aerial ladder). The lease term is 10 years. The interest rate used in calculating the present value is 5.9873%. The lease payments are to remain the same throughout the term of the lease. The lease agreement contains a fiscal funding clause which provides for the cancellation in the event the District does not appropriate funds in subsequent years for the lease payments.

Fire Protection District No. 5 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

The following is a schedule by years of the future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 1998:

<u>DUE DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
March 10, 1999	\$ 20,279	\$ 15,994	\$ 36,273
March 10, 2000	21,493	14,781	36,274
March 10, 2001	22,780	13,493	36,273
March 10, 2002	24,144	12,130	36,274
March 10, 2003	25,590	10,683	36,273
March 10, 2004	27,122	9,152	36,274
March 10, 2005	28,746	7,527	36,273
March 10, 2006	30,467	5,807	36,274
March 10, 2007	32,291	3,982	36,273
March 10, 2008	<u>34,224</u>	<u>2,050</u>	<u>36,274</u>
	<u>\$ 267,136</u>	<u>\$ 95,599</u>	<u>\$ 362,735</u>

The District has no operating leases at December 31, 1998.

(6) Cash and Cash Equivalents -

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit with original maturities of 90 days or less when purchased. 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 agents, the District had cash and cash equivalents and certificates of deposit with maturities greater than 90 days totaling \$153,063 with a carrying amount of \$148,820 at December 31, 1998. 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

Fire Protection District No. 5 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(6) Cash and Cash Equivalents - (Continued)

securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. The following is a summary of cash and cash equivalents and certificates of deposit with maturities greater than 90 days at December 31, 1998, with the related federal deposit insurance and pledged securities, if any. The cash and cash equivalents and certificates of deposit with maturities greater than 90 days at December 31, 1998, were secured as follows:

	CONFIRMED BANK BALANCE <u>DECEMBER 31, 1998</u>	FDIC INSURANCE	BALANCE UNINSURED
Cash	\$ 26,204	\$ 26,204	\$ -
Cash Equivalents - Time Certificates of Deposit (Maturities 90 Days or Less)	-	-	-
Certificates of Deposit - (Maturities Greater Than 90 Days)	<u>126,859</u>	<u>100,000</u>	<u>26,859</u>
Total	<u>\$ 153,063</u>	<u>\$ 126,204</u>	<u>\$ 26,859</u>
Uncollateralized - Securities Pledged and Held by the Custodial Bank in the Name of the Fiscal Agent			<u>100,000</u>
Deficiency of FDIC Insurance and Pledged Securities over Cash and Cash Equivalents			<u>\$ NONE</u>

(7) Litigation -

There is no litigation pending against the Fire District.

(8) Compensated Absences, Pension Plan, and Other
Postemployment Benefits -

At December 31, 1998, the District has no plan or provision for compensated absences, pension plan or other post employment benefits. Vacation time cannot be accumulated and must be taken by the end of the year earned.

Fire Protection District No. 5 of
Livingston Parish

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

(9) The Year 2000 Issue -

The District's Board is aware of the issues associated with the programming code in existing computer systems as the year 2000 approaches. The "Year 2000" problem is pervasive and complex as virtually every computer operation will be affected in some way by the rollover of the two digit year value to 00. The issue is whether computer systems will properly recognize date sensitive information when the year changes to 2000. Systems that do not properly recognize such information could generate erroneous data or cause a system to fail.

As the District's computer equipment, which is being used in the "mission critical" applications, is relatively new equipment it is already "Year 2000" compliant. Due to the size of the District, minimum software applications are required and each of these applications will be updated and tested during 1999.

It is estimated that the District will be required to expend less than \$10,000 during 1999 to become fully compliant for the "Year 2000".

Because of the unprecedented nature of the "Year 2000" issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be "Year 2000" ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be "Year 2000" ready.

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. 5 of
Livingston Parish
GENERAL FUND

COMPARATIVE BALANCE SHEETS

December 31, 1998 and 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and Cash Equivalents	\$ 19,229	\$ 65,010
Investments (Certificates of Deposit with Maturities Greater Than 90 Days)	126,859	125,615
Property Tax Receivables, Net of Allowance for Uncollectible Accounts of \$8,113 for 1998 and \$15,157 for 1997	116,753	103,676
State Revenue Sharing Tax Receivable	22,000	21,151
Other Receivables	1,163	1,513
Other Assets	<u>35</u>	<u>35</u>
Total Assets	<u>\$ 286,039</u>	<u>\$ 317,000</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts Payable	\$ 21,275	\$ 18,819
Payroll Taxes Payable	2,511	1,212
Due to Debt Service Fund	<u>703</u>	<u>4,421</u>
Total Liabilities	24,489	24,452
Fund Balance:		
Unreserved - Undesignated	<u>261,550</u>	<u>292,548</u>
Total Fund Equity	<u>261,550</u>	<u>292,548</u>
Total Liabilities and Fund Balance	<u>\$ 286,039</u>	<u>\$ 317,000</u>

See auditor's report.

Fire Protection District No. 5 of
Livingston Parish
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Taxes	\$ 135,216	\$ 119,748
State Revenue Sharing	64,214	60,868
State Supplemental Pay	7,012	-
Interest	10,317	12,022
Fire Insurance Commission	24,027	22,662
Donations	<u>4,936</u>	<u>17,355</u>
Total Revenues	245,722	232,655
Expenditures:		
General Government:		
Bad Debts	9,743	5,488
Bank Charges	29	77
Call Out Reimbursement	3,382	2,630
Dispatch Services	6,000	6,000
Equipment and Property Purchases	351,687	31,802
Insurance	34,663	20,453
Legal and Accounting	7,428	7,505
Medical Expense	1,092	1,142
Miscellaneous	996	342
Assessor's Pension Fund	4,704	4,091
Repairs and Maintenance	14,720	15,109
Salary Expense and Related Taxes	64,023	39,345
Supplies and Small Equipment	13,445	16,785
Telephone and Utilities	11,627	11,272
Training	2,466	1,844
Vehicle Expenses	17,851	11,556
Debt Service:		
Principal Retirement	-	41,857
Interest	-	<u>271</u>
Total Expenditures	<u>543,856</u>	<u>217,569</u>
Excess (Deficiency) of Revenues over Expenditures	(298,134)	15,086
Other Financing Source:		
Proceeds from Capital Lease	<u>267,136</u>	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(30,998)	15,086
Fund Balance at Beginning of Year	<u>292,548</u>	<u>277,462</u>
Fund Balance at End of Year	<u>\$ 261,550</u>	<u>\$ 292,548</u>

See auditor's report.

DEBT SERVICE FUND

To accumulate resources for and to account for the payment of principal and interest on long-term debt.

General Obligation Bond - Issued June 1, 1988 for the purpose of purchasing, constructing and acquiring land, buildings, equipment and other facilities to aid in providing fire protection for the Fire Protection District No. 5 of Livingston Parish. Payments are due in annual installments of principal and semi-annual installments of interest until maturity in 1998. Interest rates vary from 6.4% to 10%. Revenues from property taxes are dedicated to service this debt. The final payment on the 1998 General Obligation Bond was made June 1, 1998.

Fire Protection District No. 5 of
Livingston Parish
DEBT SERVICE FUND

COMPARATIVE BALANCE SHEETS

December 31, 1998 and 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash in Banks	\$ 2,732	\$ 36,069
Property Tax Receivables, Net of Allowance for Uncollectible Accounts of \$-0- for 1998 and \$9,028 for 1997	-	41,600
Due from General Fund	<u>703</u>	<u>4,421</u>
Total Assets	<u>\$ 3,435</u>	<u>\$ 82,090</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts Payable	\$ -	\$ 1,641
Fund Balance:		
Reserved for Debt Service	-	75,000
Unreserved - Undesignated	<u>3,435</u>	<u>5,449</u>
Total Fund Balance	<u>3,435</u>	<u>80,449</u>
Total Liabilities and Fund Balance	<u>\$ 3,435</u>	<u>\$ 82,090</u>

See auditor's report.

Fire Protection District No. 5 of
Livingston Parish
DEBT SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Property Taxes	\$ -	\$ 48,048
Interest	<u>1,104</u>	<u>3,987</u>
Total Revenues	1,104	52,035
Expenditures:		
Bad Debts	403	1,768
Paying Agent Fees and Bank Charges	15	630
Assessor's Pension Fund	-	1,641
Principal Retirement	75,000	65,000
Interest	<u>2,700</u>	<u>7,708</u>
Total Expenditures	<u>78,118</u>	<u>76,747</u>
Excess (Deficiency) of Revenues over Expenditures	(77,014)	(24,712)
Fund Balance at Beginning of Year	<u>80,449</u>	<u>105,161</u>
Fund Balance at End of Year	<u>\$ 3,435</u>	<u>\$ 80,449</u>

See auditor's report.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operation.

Fire Protection District No. 5 of
Livingston Parish

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS - BY SOURCES

December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
General Fixed Assets, at Cost:		
Land and Buildings	\$ 250,412	\$ 250,412
Equipment	833,681	834,075
Equipment Under Capital Lease Obligation	325,581	-
Furniture and Fixtures	<u>16,744</u>	<u>16,744</u>
Total General Fixed Assets	<u>\$1,426,418</u>	<u>\$1,101,231</u>
Investment in General Fixed Assets From:		
General Fund Revenues	\$ 945,569	\$ 612,382
Donations	16,158	24,158
General Obligation Bonds	<u>464,691</u>	<u>464,691</u>
Total Investment in General Fixed Assets	<u>\$1,426,418</u>	<u>\$1,101,231</u>

See auditor's report.

Fire Protection District No. 5 of
Livingston Parish

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

For the Years Ended December 31, 1998 and 1997

	<u>TOTAL</u>	<u>LAND AND BUILDINGS</u>	<u>EQUIPMENT</u>	<u>FURNITURE AND FIXTURES</u>	<u>EQUIPMENT UNDER CAPITAL LEASE</u>
General Fixed Assets at January 1, 1997	\$1,099,046	\$ 235,637	\$ 848,514	\$ 14,895	\$ -
Additions:					
General Fund					
Revenues	31,802	14,775	15,178	1,849	-
Donations	-	-	-	-	-
General Obligation Bonds	-	-	-	-	-
Deductions:					
Assets Sold or Traded	<u>29,617</u>	<u>-</u>	<u>29,617</u>	<u>-</u>	<u>-</u>
General Fixed Assets at December 31, 1997	1,101,231	250,412	834,075	16,744	-
Additions:					
General Fund					
Revenues	351,687	-	26,106	-	325,581
Donations	-	-	-	-	-
General Obligation Bonds	-	-	-	-	-
Deductions:					
Assets Junked	<u>(26,500)</u>	<u>-</u>	<u>(26,500)</u>	<u>-</u>	<u>-</u>
General Fixed Assets at December 31, 1998	<u>\$1,426,418</u>	<u>\$ 250,412</u>	<u>\$ 833,681</u>	<u>\$ 16,744</u>	<u>\$ 325,581</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. Payments of maturing General Obligation Bonds, including interest, are accounted for in the Debt Service Fund. Payments of maturing Capital Lease Obligations, including interest, are accounted for in the General Fund.

Fire Protection District No. 5 of
Livingston Parish

COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT

December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT:		
Amount Available in the Debt Service Fund for Debt Retirement	\$ -	\$ 75,000
Amount to be Provided in Future Years from Property Taxes	-	-
Amount to be Provided in Future Years	<u>267,136</u>	<u>-</u>
Total to be Provided	<u>\$ 267,136</u>	<u>\$ 75,000</u>
GENERAL LONG-TERM DEBT PAYABLE:		
General Obligation Bond	\$ -	\$ 75,000
Obligation Under Capital Lease	<u>267,136</u>	<u>-</u>
Total General Long-Term Debt	<u>\$ 267,136</u>	<u>\$ 75,000</u>

See auditor's report.

OTHER SUPPLEMENTARY INFORMATION

Fire Protection District No. 5 of
Livingston Parish

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

For the Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Jim Delaune, Jr. (Resigned 02/28/97)	\$ -	\$ -
David Hodges (Appointed 01/01/97, Resigned 07/14/98)	-	-
James Lieux (Appointed 03/06/97)	-	-
Andy Nickens (Appointed 03/06/97)	-	-
Gary O'Neal (Resigned 02/28/97)	-	-
Tommy Porrier	-	-
Bryan Taylor (Appointed 07/23/98)	-	-
Ray Walters (Resigned 03/10/98)	-	-
Brian Whittington (Appointed 04/23/98)	-	-
	<u> </u>	<u> </u>
	\$ -	\$ -
	<u> </u>	<u> </u>

The term of each board member is two years.

Fire Protection District No. 5 of
Livingston Parish

SCHEDULE OF INSURANCE IN FORCE

December 31, 1998

<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
American Alternative Insurance Corp.	Business Package Policy		09/01/99
	Building #1	\$ 161,081	
	Building #2	\$ 35,996	
	Building #3	\$ 42,969	
	Contents - Building #1	\$ 13,274	
	Contents - Building #2	\$ 1,350	
	Contents - Building #3	\$ 6,299	
	Liability	\$2,000,000	
American Alternative Insurance Corp.	Umbrella Liability Policy	\$1,000,000	09/01/99
American Alternative Insurance Corp.	Management Liability	\$2,000,000	09/01/99
Louisiana Worker's Compensation Corp.	Workmen's Compensation Statutory	\$ 100,000/ \$ 500,000	12/31/98
American Alternative Insurance Corp.	Business Auto Liability	\$1,000,000	09/01/99
	Uninsured Motorist	\$ 100,000	
Volunteer Fire Insurance Services Trust	Accident and Sickness	\$ 20,000	09/01/99

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



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January 14, 1999

Board of Commissioners
Fire Protection District No. 5 of
Livingston Parish
Livingston Parish Council
Denham Springs, Louisiana

We have audited the component unit financial statements of the Fire Protection District No. 5 of Livingston Parish, Louisiana, as of and for the year ended December 31, 1998, and have issued our report thereon dated January 14, 1999. 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 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 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. 5 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. 5 of Livingston Parish, Louisiana, is a matter of public record.

Respectfully submitted,

Harris J. Bourgeois, L.L.P.

