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ST. TAMMANY PARISH FIRE PROTECTION DISTRICT No. 4

St. Tammany Parish Police Jury

Mandeville, Louisiana

General Purpose Financial Statements

Report on Examination of Financial Statements

As of and For the Year Ended December 31, 1998

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JUN 09 1999

Release Date _____

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4

St. Tammany Parish Police Jury

Mandeville, Louisiana

General Purpose Financial Statements

As of and For the Year Ended December 31, 1998

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DILLARD, JEANFREAU

& WINTERS

Certified Public Accountants
(A Partnership of Professional Corporations)

Dillard, Jeanfreau & Co.
(A Professional Corporation)

John F. Winters, C.P.A., Ltd.
(A Professional Corporation)

February 8, 1999

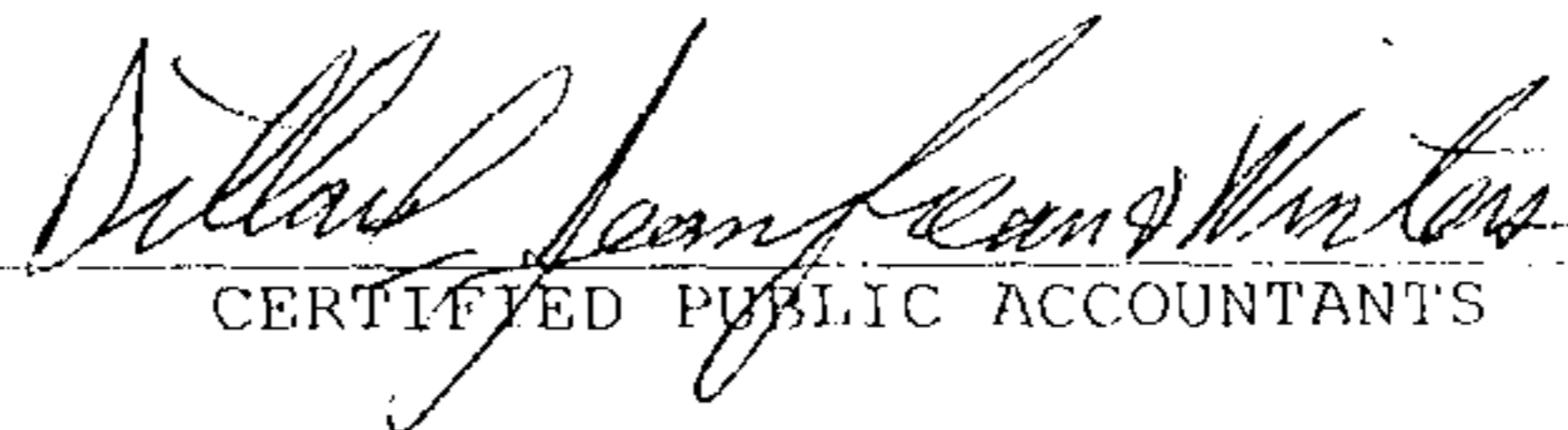
INDEPENDENT AUDITOR'S REPORT

St. Tammany Parish Fire Protection District No. 4
Mandeville, Louisiana

We have audited the accompanying financial statements of the St. Tammany Parish Fire Protection District No. 4, 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 St. Tammany Parish Fire District No. 4'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, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those Standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the St. Tammany Parish Fire Protection District No. 4 as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.


CERTIFIED PUBLIC ACCOUNTANTS

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
BALANCE SHEET - FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1998

	GOVERNMENTAL	ACCOUNT		TOTALS	
	FUND TYPE	GENERAL	LONG-TERM	(memorandum only)	
	GENERAL	FIXED ASSETS	DEBT	1998	1997
ASSETS					
Cash and cash equivalents	\$ 402,017	\$ -	\$ -	\$ 402,017	\$ 229,744
Investments	761,624	-	-	761,624	694,256
Receivables, net of allowances for uncollectibles					
Ad valorem taxes	3,047,248	-	-	3,047,248	3,002,041
State revenue sharing	187,561	-	-	187,561	181,259
Accrued interest	6,616	-	-	6,616	6,088
Emergency medical service	308,506	-	-	308,506	225,018
Prepaid insurance	9,071	-	-	9,071	9,588
Property, plant and equipment	-	3,865,140	-	3,865,140	3,688,483
Deposits	83	-	-	83	83
Amount to be provided for retirement of compensated absences	-	-	135,483	135,483	113,638
TOTAL ASSETS	\$4,722,726	\$3,865,140	\$ 135,483	\$8,723,349	\$8,150,198
LIABILITIES					
Accounts payable	\$ 3,135	\$ -	\$ -	\$ 3,135	\$ 19,624
Accrued liabilities	167,194	-	-	167,194	148,142
Long-term debt					
Compensated absences	-	-	135,483	135,483	113,638
TOTAL LIABILITIES	170,329	-	135,483	305,812	281,404
FUND EQUITY					
Investment in general fixed assets	-	3,865,140	-	3,865,140	3,688,483
Fund balance					
Unreserved					
Designated	650,470	-	-	650,470	391,045
Undesignated	3,901,927	-	-	3,901,927	3,789,266
TOTAL FUND EQUITY	4,552,397	3,865,140	-	8,417,537	7,868,794
TOTAL LIABILITIES AND FUND EQUITY	\$4,722,726	\$3,865,140	\$ 135,483	\$8,723,349	\$8,150,198

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
GOVERNMENTAL FUND-GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 1998

	<u>TOTALS</u>	
	(memorandum only)	
	<u>1998</u>	<u>1997</u>
<u>REVENUES:</u>		
Parish Sources:		
Ad valorem tax	\$3,181,685	\$3,182,028
Tax on fire insurance premiums	54,342	51,259
State Sources:		
State revenue sharing	187,553	181,286
Other:		
Interest	135,701	127,581
Emergency Medical Service	333,599	310,958
Miscellaneous	4,743	2,709
Gain on disposition of equipment	3,500	39,501
Total Revenues	<u>3,901,123</u>	<u>3,895,322</u>
<u>EXPENDITURES:</u>		
Accounting and professional	18,594	28,028
Advertising	626	1,021
Building maintenance	17,990	10,881
Civil Service	1,084	646
Conventions and training	12,444	20,782
Capital Outlays	225,338	186,809
Deduction from ad valorem tax for:		
Assessor collection Fees	97,708	96,756
Dues and subscriptions	3,092	2,499
Employee's retirement	164,881	124,240
Equipment repairs and maintenance	55,135	45,433
Films, video tapes and developing	738	650
Fire Prevention	4,023	3,780
Gas and Oil	15,699	19,044
Insurance - general	134,934	140,200
Insurance - group	267,747	189,514
Insurance - life	5,557	4,959
Janitorial supplies	6,938	6,555
Medical supplies and exams	38,619	42,033
M.F.D. volunteers	4,800	4,800
Miscellaneous	1,146	1,232
Office supplies	14,668	18,320
Payroll taxes	151,164	150,258
Per Diem	1,410	720
Salaries	2,191,682	1,782,070
Telephone	22,359	20,182
Travel	12,126	12,574
Uniforms	20,213	20,745
Utilities	20,628	21,733
Volunteer pension	10,687	11,374
Total Expenditures	<u>3,522,030</u>	<u>2,967,838</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 1998

	<u>TOTALS</u>	
	(memorandum only)	
	<u>1998</u>	<u>1997</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 379,093	\$ 927,484
FUND BALANCE AT BEGINNING OF YEAR	<u>3,789,266</u>	<u>2,913,817</u>
	4,168,359	3,841,301
DECREASE IN FUND BALANCE - Future Equipment Acquisitions	(100,000)	(153,375)
INCREASE IN FUND BALANCE - Emergency Purchases	-	36,500
INCREASE IN FUND BALANCE - Future Building Costs	<u>(166,432)</u>	<u>64,840</u>
FUND BALANCE AT END OF YEAR	<u>\$3,901,927</u>	<u>\$3,789,266</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 1998

REVENUES:	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Parish Sources:			
Ad valorem tax	\$3,043,000	\$3,181,685	\$ 138,685
Tax on fire insurance premiums	54,342	54,342	-
State Sources:			
State revenue sharing	181,251	187,553	6,302
Other:			
Interest income	133,000	135,701	2,701
Emergency medical service	248,000	333,599	85,599
Gain on disposition of equipment	-0-	3,500	3,500
Miscellaneous	7,411	4,743	(2,668)
Total Revenues	<u>3,667,004</u>	<u>3,901,123</u>	<u>234,119</u>
EXPENDITURES:			
Accounting and Professional	26,000	18,594	7,406
Advertising	900	626	274
Building maintenance	14,000	17,990	(3,990)
Civil Service	1,500	1,084	416
Conventions and training	19,000	12,444	6,556
Capital outlays	690,025	225,338	464,687
Deduction from ad valorem tax for:			
Assessor collection fees	-	97,708	(97,708)
Dues and subscriptions	3,350	3,092	258
Employees retirement	175,988	164,881	11,107
Equipment repairs and maintenance	50,000	55,135	(5,135)
Films, Video Tapes & developing	900	738	162
Fire Prevention week	4,500	4,023	477
Gas and oil	20,000	15,699	4,301
Insurance - general	136,761	134,934	1,827
Insurance - group	235,868	267,747	(31,879)
Insurance - life	6,300	5,557	743
Janitorial supplies	6,400	6,938	(538)
Medical supplies and exams	55,900	38,619	17,281
M.F.D. volunteers	4,800	4,800	-
Miscellaneous	500	1,146	(646)
Office supplies	23,792	14,668	9,124
Payroll taxes	191,584	151,164	40,420
Per Diem	3,600	1,410	2,190
Salaries	2,144,517	2,191,682	(47,165)
Telephone	22,000	22,359	(359)
Travel	13,000	12,126	874
Uniforms	24,700	20,213	4,487
Utilities	24,000	20,628	3,372
Volunteer Pension	10,687	10,687	-
Total Expenditures	<u>3,910,572</u>	<u>3,522,030</u>	<u>388,542</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
GOVERNMENTAL FUNDS - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(243,568)	379,093	622,661
Fund Balance - Beginning of Year	<u>1,241,415</u>	<u>3,789,266</u>	<u>2,547,851</u>
	997,847	4,168,359	3,170,512
Decrease in Fund Balance - Future Equipment Acquisitions	(100,000)	(100,000)	-
Decrease in Fund Balance - Future Building Costs	<u>(166,432)</u>	<u>(166,432)</u>	-
Fund Balance At End of Year	<u>\$ 731,415</u>	<u>\$3,901,927</u>	<u>\$ 3,170,512</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

INTRODUCTION

The St. Tammany Parish Fire Protection District No. 4 is a component unit of the St. Tammany Parish Police Jury created by ordinance of the St. Tammany Parish Council on January 16, 1958. The Fire District is administered by a board of commissioners of five members. Two members are appointed by the St. Tammany Parish Policy Jury and two members are appointed by the City of Mandeville. These four members select the fifth member who serves as the chairman. Each commissioner is entitled to receive a per diem payment of \$30 for each board meeting attended. The Fire District provides fire protection for the entire fourth ward of St. Tammany Parish which has a population of 26,082. The St. Tammany Parish Fire Protection District No. 4 maintains and operates four fire protection facilities and has 77 employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying general purpose financial statements of the St. Tammany Parish Fire Protection District No.4 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.

REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the St. Tammany Parish Police Jury is the financial reporting entity for St. Tammany Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Tammany Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria includes:

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

REPORTING ENTITY (CONT'D)

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The St. Tammany Parish Fire Protection District No. 4 was determined to be a component unit of the St. Tammany Parish Police Jury, the reporting entity, because the reporting entity's financial statements would be misleading if data of the St. Tammany Parish Fire Protection District No. 4 was not included because of the significance of the relationship and scope of public service.

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.

FUND ACCOUNTING

The St. Tammany Parish Fire Protection District No.4 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.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FUND ACCOUNTING (CONT'D)

Funds of the St. Tammany Parish Fire Protection District No.4 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 St. Tammany Parish Fire Protection District No.4 include:

General Fund

The general fund accounts for all of the financial activities of the St. Tammany Parish Fire Protection District No. 4. These activities are funded primarily by ad valorem taxes.

General Fixed Assets and General Long-Term Debt

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Depreciation has not been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost. When items are retired, the General Fixed Assets Account Group is reduced for the related cost. Assets that have been donated to the St. Tammany Parish Fire Protection District No. 4 are recorded at fair market value at the time of donation.

Long-term debt expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations.

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. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF ACCOUNTING (CONT'D)

Revenues

Revenues are recognized when they become measurable. All revenues are susceptible to accrual. Ad valorem taxes attach as an enforceable lien on property as of May 10, 1999. Taxes are levied on November 15, 1998 and are due and payable December 31, 1998. All unpaid taxes levied December 18, 1998 become delinquent January 1, 1999. Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end.

Expenditures

Expenditures are recognized when goods or services have been received.

BUDGET PRACTICES

The St. Tammany Parish Fire Protection District No. 4 utilizes the following budgetary practices:

A budget is adopted annually for the General Fund in accordance with Louisiana Revised Statutes 39:1304 and 39:1305. The 1998 budget was first published in the official parish journal on November 26, 1997 and made available for public inspection on the same date. The public meeting for the proposed budget was held on December 9, 1997 and also adopted on that date. Formal budgetary integration is employed as a management control device during the year. The budget is prepared on the modified accrual basis of accounting. Budgeted amounts included in the accompanying financial statements are the final authorized amounts as revised during the year. Unused appropriations for all of the budgeted funds lapse at the end of the year. The St. Tammany Parish Fire Protection District No. 4 approves the budget and any revisions. Periodically, individual items of budgeted revenues and expenditures are compared to actual amounts. If it appears that a budget revision is necessary, the Board of Commissioners of the Fire District will approve revising the budget. For the year ended December 31, 1998 in the General Fund, actual revenues exceeded budgeted revenues by over 5% and the actual fund balance was over 5% more than the budgeted amount. Expenditures may not exceed available funds.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest bearing demand deposits and money market amounts. It is the policy of the St. Tammany Parish Fire Protection District No. 4 to treat highly liquid investments with a maturity of ninety (90) days or less as cash equivalents. Under state law the St. Tammany Parish Fire Protection District No. 4 may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the St. Tammany Parish Fire Protection District No.4 may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

PREPAID INSURANCE

Prepaid insurance represents the unused portion of insurance policies in effect at the Balance Sheet date.

FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

COMPENSATED ABSENCES

The St. Tammany Parish Fire Protection District No. 4 has the following policy relating to vacation and sick leave:

Annual Leave

Annual leave accrues at the rate of 7.76 hours for employees hired prior to June 9, 1986 and at the rate of 7.34 hours for employees hired after June 9, 1986 per pay period for two weeks of service performed by employees on a 56 hour work week and 12.0 hours for each month of service performed by employees on a 40 hour work week. After 10 years of service, annual leave accrues at the rate of 8.18 hours

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

COMPENSATED ABSENCES (CONT'D)

per pay period for each two weeks of service performed by employees on a 56 hour work week. Annual leave not taken during a year can be accumulated. Accumulation of annual leave is limited to 330 hours per employee on December 31st of each calendar year.

Sick Leave

Employees of the Fire District are entitled to full pay during sickness or incapacity, not brought about by their own negligence for a period of not more than 52 weeks. Sick leave cannot be accumulated.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

FUND EQUITY

Designated Fund Balance

Balance 12/31/97	\$391,045
Additions per 1998 Budget	266,432
Disbursement	(7,007)
Balance 12/31/98	<u>\$650,470</u>

The fund balance designated for future volunteer pension costs was set up to provide a pension plan for volunteers beginning in 1993. The volunteer pension went into effect in 1994. In 1998 the fund balance designated for future volunteer pension costs was reduced by \$7,007 for payment of prior costs.

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. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

EMERGENCY MEDICAL SERVICE

In 1994 the Fire District started providing emergency medical transportation to the residents of the fourth ward of St. Tammany Parish. Residents who use the medical transportation service are charged a fee of \$300.

NOTE 2 - LEVIED TAXES

Ad valorem tax millages authorized and levied for the year ended December 31, 1998 were 25.00.

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 1998, the district has cash and cash equivalents (book balances) totaling \$402,017 as follows:

Cash on hand	\$ 150
Interest bearing demand deposits	54,742
Demand Deposits	12,901
Money market accounts	<u>334,224</u>
Total	<u>\$402,017</u>

These deposits are stated at cost, which approximates market. 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1997, the district has \$447,857 in deposits (collected bank balances). These deposits are secured from risk by \$212,901 of federal deposit insurance and \$2,281,710 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 4 - INVESTMENTS

At December 31, 1998 the St. Tammany Parish Fire Protection District No. 4 has investments totaling \$761,624 as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
U.S. Government Securities	<u>\$ 761,624</u>	<u>\$ 761,624</u>
Total	<u>\$ 761,624</u>	<u>\$ 761,624</u>

The investments are in the name of the St. Tammany Parish Fire Protection District No. 4 and are held at the St. Tammany Parish Fire Protection District No. 4's office. Because the U.S. Government Securities are in the name of the district and are held by the district or its agent, the U.S. Government Securities are considered insured and registered, Category 1, in applying the credit risk of GASB Codification Section 150.164.

During 1998, the St. Tammany Parish Fire Protection District No. 4 had other investments in U.S. Government Obligations which are not on hand at December 31, 1998.

NOTE 5 - RECEIVABLES

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

<u>Class of Receivable</u>	<u>General Fund</u>
Ad valorem taxes	\$3,047,248
State revenue sharing	187,561
Emergency medical service	308,506
Accrued interest	<u>6,616</u>
Total	<u>\$3,549,931</u>

The receivable for Ad valorem taxes is net of an allowance at December 31, 1998 of \$247,074. The allowance is set up at 7.5% of the total Ad valorem tax allocated to the St. Tammany Parish Fire Protection District No. 4 per the tax rolls of St. Tammany Parish and expected to be collected.

The emergency medical service is net of an allowance at December 31, 1998 of \$145,179. The allowance has been setup at 32% of the outstanding receivable at December 31, 1998.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 6 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1998	Additions	Deductions	Balance December 31, 1998
Land	\$ 72,950	\$ -	\$ -	\$ 72,950
Buildings	762,508	-	-	762,508
Leasehold Improvements	415,584	126,132	-	541,716
Equipment and Fixtures	792,128	76,366	6,071	862,423
Office Furniture	76,849	1,197	-	78,046
Medical Equipment	74,950	657	-	75,607
Transportation				
Equipment	1,493,514	20,985	42,609	1,471,890
Total	<u>\$3,688,483</u>	<u>\$225,337</u>	<u>\$ 48,680</u>	<u>\$3,865,140</u>

NOTE 7 - PENSION PLAN

LOUISIANA FIREFIGHTERS RETIREMENT SYSTEM

Substantially all employees of St. Tammany Parish Fire Protection District No. 4 are members of the Louisiana Firefighters Retirement System (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 7 - PENSION PLAN (CONT'D)

LOUISIANA FIREFIGHTERS RETIREMENT SYSTEM (CONT'D)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (504)925-4060.

Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the St. Tammany Parish Fire Protection District No. 4 is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the St. Tammany Parish Fire Protection District No. 4 are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The St. Tammany Parish Fire Protection District No. 4's contributions to the System for the years ending December 31, 1998, 1997 and 1996, were \$164,881, \$124,240 and \$96,138, respectively, equal to the required contributions for each year.

NOTE 8 - DEFERRED COMPENSATION PLAN

The St. Tammany Parish Fire Protection District No. 4 offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The St. Tammany Parish Fire Protection District No. 4 has no liability for losses under the Plan and does not guaranty any of the benefits under the plan.

NOTE 9 - COMPENSATED ABSENCES

At December 31, 1998, employees of the district have accumulated and vested \$135,483 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$135,483 is recorded within the general long-term obligations account group.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 10 - ACCRUED LIABILITIES

At December 31, 1998 accrued liabilities consist of:

Accrued payroll taxes and other	\$ 1,843
Accrued salaries	67,643
Accrued assessor collection fee	97,708
	<u>\$167,194</u>

NOTE 11 - CHANGES IN GENERAL LONG-TERM OBLIGATION

The following is a summary of the long-term obligation transactions during the year:

<u>Compensated</u> <u>Absences</u>	
Long-term obligations payable at December 31, 1997	\$113,638
Additions	134,531
Deductions	(112,686)
Long-term obligations payable at December 31, 1998	<u>\$135,483</u>

NOTE 12 - OPERATING LEASE

The St. Tammany Parish Fire Protection District No. 4 leases land for a parking lot under an operating lease which expires in 2005.

The minimum annual commitments under noncancelable operating leases for each of the next five years are as follows:

<u>Fiscal Year</u>	<u>Land</u>
1999	\$ 100
2000	100
2001	100
2002	100
2003	100
Total	<u>\$ 500</u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 4
ST. TAMMANY PARISH POLICE JURY
MANDEVILLE, LOUISIANA
SCHEDULE OF COMPENSATION OF PAID BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 1998

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Payment of per diem is made in accordance with Louisiana Revised Statute 40:1498 which authorizes per diem payments of \$30 per board meeting attended.

Schedule of Compensation Paid Board Members
For the Year Ended December 31, 1998

<u>NAME</u>	<u>AMOUNT</u>
Leonard Frosch	\$ 330.00
Emile Navarre	390.00
E.J. Dennis	- *
Leopold Capponi	390.00
Dom Esquinance	- *
Mary Jean Bell	90.00
Thomas Druen	210.00
Gillis Melancon	- *
Total	<u>\$1,410.00</u>

*Serves without compensation

DILLARD, JEANFREAU

& WINTERS

Certified Public Accountants
(A Partnership of Professional Corporations)

Dillard, Jeanfreau & Co.
(A Professional Corporation)

John F. Winters, C.P.A., Ltd.
(A Professional Corporation)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

St. Tammany Parish Fire Protection District No. 4
Mandeville, Louisiana

We have audited the general purpose financial statements of the St. Tammany Parish Fire Protection District No. 4 as of and for the year ended December 31, 1998 and have issued our report thereon dated February 8, 1999.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the St. Tammany Parish Fire Protection District No. 4, for the year ended December 31, 1998, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the St. Tammany Parish Fire Protection District No. 4, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories: payroll, cash receipts, cash disbursements, accounts payable, purchasing and receiving, general ledger and property and equipment.

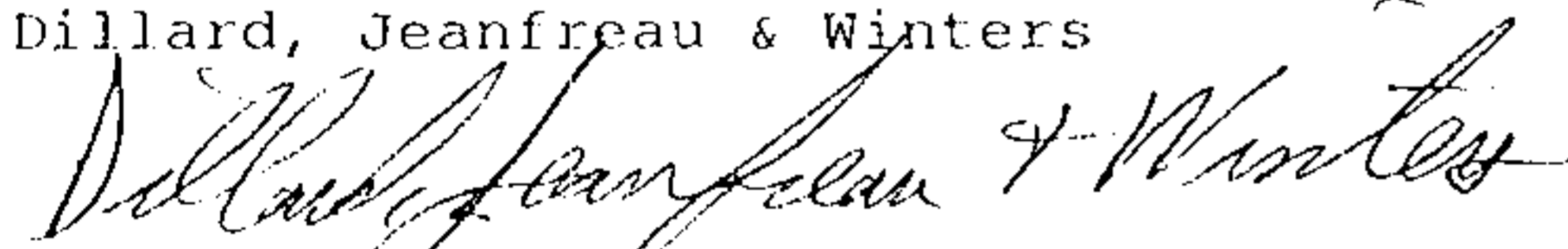
For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants.

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

This report is intended for the information of management and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Dillard, Jeanfreau & Winters



Metairie, LA

February 8, 1999

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

St. Tammany Parish Fire Protection District No.4
Mandeville, LA

We have audited the general purpose financial statements of the St. Tammany Parish Fire Protection District No. 4, as of and for the year ended December 31, 1998, and have issued our report thereon dated February 8, 1999.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the St. Tammany Parish Fire Protection District No. 4, is the responsibility of the St. Tammany Parish Fire Protection District No. 4's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the compliance with certain provisions of laws, regulations and contracts. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements or violations of prohibitions contained in statutes, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general-purpose financial statements. The results of our tests of compliance disclosed no material instances of noncompliance.

We considered this in forming our opinion on whether the 1998 general-purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated February 8, 1999, on those general-purpose financial statements.

The results of our tests of compliance indicate that, with respect to the items tested, St. Tammany Parish Fire Protection District No. 4, complied in all material respects, with the provisions referred to in the third paragraph of this report; and with respect to items not tested, nothing came to our attention that caused us to believe that the St. Tammany Parish Fire Protection District No. 4 had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.


Dillard, Jeanfreau & Winters

Metairie, Louisiana
February 8, 1999