

**Fire Protection District Ten
of Livingston Parish, Louisiana**

Annual Financial Statements
As of and for the Year Ended December 31, 2003

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

Release Date 8-11-04

LEROY J. CHUSTZ
Certified Public Accountant
A Professional Accounting Corporation

Livingston Parish Fire Protection District Ten

**Annual Financial Statements
As of and for the Year Ended December 31, 2003
With Supplemental Information Schedules**

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

**Board Members of
Livingston Parish Fire Protection District Ten
Denham Springs, Louisiana**

I have audited the accompanying basic financial statements of the **Livingston Parish Fire Protection District Ten**, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2003, as listed in the Table of Contents. These basic financial statements are the responsibility of **Livingston Parish Fire Protection District Ten's** management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the **Livingston Parish Fire Protection District Ten**, as of December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated April 16, 2004, on my consideration of the **Livingston Parish Fire Protection District Ten's** internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the **Livingston Parish Fire Protection District Ten's** basic financial statements. The accompanying required supplementary information, Parts I and II, as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of **Livingston Parish Fire Protection District Ten**, but are required by the Governmental Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, I did not audit the information and I express no opinion on it.

My audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplemental information listed in the Table of Contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Livingston Intergovernmental Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Leroy J. Chustz
Certified Public Accountant
April 16, 2004

Required Supplemental Information (Part 1)
Management's Discussion and Analysis

**LIVINGSTON PARISH FIRE DISTRICT TEN
HOLDEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2003**

This section of the Livingston Parish Fire District Ten's annual financial report presents our discussion and analysis of the District's financial performance for the year ended December 31, 2003. Because the District is implementing new reporting standards for this fiscal year with significant changes in content and structure, much of the information is not easily comparable to prior years. Subsequent reports, however, will include comparative information.

Please read this document in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

1. The District's assets exceeded its liabilities at December 31, 2003 by \$349,876 or an increase of \$17,935 as a result of this year's operations.
2. Total revenues for 2003 decreased by \$15,832 which is due mainly to a decrease in ad valorem tax revenues of \$7,008 and donation revenues of \$9,425.
3. The District had cash and investments of \$110,912 at December 31, 2003 which represents an increase of \$45,708 from prior year end.
4. The District had taxes receivable of \$65,236 at December 31, 2003 which represents an increase of \$88 from prior year end.
5. The District had land, buildings, machinery and equipment, and truck assets net of accumulated depreciation of \$185,352 on December 31, 2003 which represents an decrease of \$18,442 from prior year end. Depreciation expense for the year totaled \$22,443.
6. The District had capital asset purchases of \$4,000 for the year of 2003.

**LIVINGSTON PARISH FIRE DISTRICT TEN
HOLDEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2003**

OVERVIEW OF FINANCIAL STATEMENTS

These financial statements consist of three sections-Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

BASIC FINANCIAL STATEMENTS:

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the operations of the Fire District Ten of Livingston Parish as a whole and present a longer-term view of the current District finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the District's net assets and changes in them. The net difference between the assets and liabilities measures the health of the District's finances. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements include the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances. All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the District's general government operations and the basic services provided by the Drainage District. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's operations as well as what remains for the future expense needs.

**LIVINGSTON PARISH FIRE DISTRICT TEN
HOLDEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2003**

Financial Analysis of the Entity:

**STATEMENT OF NET ASSETS
As of December 31, 2003**

Current and other assets	\$ 110,912
Receivables	65,236
Capital Assets (Net)	<u>185,352</u>
 Total Assets	 <u>361,500</u>
 Current liabilities	 11,624
Long-term liabilities	<u>0</u>
 Total Liabilities	 <u>11,624</u>
 Net Assets:	
Investment in capital assets, net	185,352
Unrestricted	<u>164,524</u>
Total Net Assets	<u>\$ 349,876</u>

Net assets of the District increased by \$17,935 from the previous year or a 5% increase. The

**LIVINGSTON PARISH FIRE DISTRICT TEN
 HOLDEN, LOUISIANA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 DECEMBER 31, 2003**

largest portion of the District's net assets consists of cash (32%) and capital assets (53%).

**CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2003**

Revenues:	
Program Revenue:	
Operating Donations	\$ 4,300
General Revenues:	
Ad Valorem	52,153
State Revenue Sharing	9,936
Fire Insurance Rebate	12,648
Interest Earned	<u>1,252</u>
 Total Revenues	 <u>80,289</u>
 Program Expenses:	
General Government	<u>62,354</u>
Total Expenses	<u>62,354</u>
 Changes in Net Assets	 17,935
Net Assets Beginning	<u>331,941</u>
Net Assets Ending	<u>\$ 349,876</u>

The District's total revenues decreased by \$15,832 or 16% from the prior year. Expenses excluding

**LIVINGSTON PARISH FIRE DISTRICT TEN
HOLDEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2003**

depreciation decreased by \$21,315 or 65% from the prior year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2003, the District had \$185,352, net of depreciation, invested in a broad range of capital assets (See table below). This amounts represents a net decrease (including additions and deductions) of \$18,442.

**Capital Assets at Year-end
(Net of Depreciation)**

Land	\$ 7,483
Building and improvements	67,113
Machinery/Equipment	5,112
Trucks	<u>105,644</u>
Total	<u>\$185,352</u>

This year's major additions included building improvements of \$4,000. There were no retirements this year.

Debt

For the year ended December 31, 2003, the District did not have any long-term debt.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGET

**LIVINGSTON PARISH FIRE DISTRICT TEN
HOLDEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2003**

Actual revenues were \$1,511 less than budgeted amounts due mainly to a decrease in ad valorem tax revenues.

Actual expenditures were \$27,289 less than budgeted amounts due mainly to the District's reduction in operating services.

ECONOMIC FACTOR'S AND NEXT YEAR'S BUDGET

The District's appointed officials considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

1. Ad valorem tax revenues
2. Operating expenses

CONTACTING THE LIVINGSTON PARISH FIRE DISTRICT TEN'S MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the Livingston Parish Fire District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Ms. Ouida Roberts, P. O. Box 250, Holden, LA 70744.

Basic Financial Statements
Government-Wide Financial Statements

Livingston Parish Fire District Ten

Statement A

Statement of Net Assets
December 31, 2003

ASSETS

Current Assets

Cash & Cash Equivalents	\$ 9,658.92
Certificates of Deposit (with maturities less than three months)	101,253.20
Taxes Receivable (Net)	<u>65,236.69</u>

Total Current Assets 176,148.81

Noncurrent Assets

Plant, Property and Equipment (Net)	<u>185,351.94</u>
-------------------------------------	-------------------

Total Noncurrent Assets 185,351.94

Total Assets 361,500.75

LIABILITIES

Current Liabilities

AdValorem tax deductions payable	2,231.94
Deferred tax revenue	<u>9,392.48</u>

Total Current Liabilities 11,624.42

Total Liabilities 11,624.42

NET ASSETS

Net Assets

Invested in fixed assets, net of related debt	185,351.94
Unrestricted	<u>164,524.39</u>

Total Net Assets \$ 349,876.33

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

Livingston Parish Fire District Ten

Statement B

**Statement of Activities
For the Year Ended December 31, 2003**

	<u>Expenses</u>	<u>Program Revenues and Contributions</u>	<u>Net Revenue (-Expense) and Changes in Net Assets Governmental Activities</u>
<i>Expenses</i>			
Governmental Activities - Fire Protection			
Operating Services	\$ (30,670.02)	\$ 4,300.00	\$ (26,370.02)
Professional Fees	(1,750.00)		(1,750.00)
Supplies	(6,685.50)		(6,685.50)
Miscellaneous	(805.63)		(805.63)
Depreciation Expense	<u>(22,442.83)</u>		<u>(22,442.83)</u>
Total Protection Expenses	\$ <u>(62,353.98)</u>	\$ <u>4,300.00</u>	<u>(58,053.98)</u>
<i>General Revenues</i>			
Ad Valorem			52,152.89
State Revenue Sharing			9,936.00
Fire Insurance Rebate			12,648.08
Interest			<u>1,251.85</u>
Total General Revenues			<u>75,988.82</u>
Increase (Decrease), in Net Assets			17,934.84
Net Assets as restated at the Beginning of the Year (See Note 9)			<u>331,941.49</u>
Net Assets, End of Year			\$ <u>349,876.33</u>

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

Basic Financial Statements
Fund Financial Statements
Governmental Fund Financial Statements

Livingston Parish Fire District Ten

Statement C

**Balance Sheet
Governmental Funds
December 31, 2003**

	<u>General Fund</u>
Assets	
Cash & Cash Equivalents	\$ 9,658.92
Certificates of Deposit (with maturities less than three months)	101,253.20
Taxes Receivable (Net)	<u>65,236.69</u>
Total Assets	<u>\$ 176,148.81</u>
Liabilities & Fund Balance	
Liabilities:	
Ad valorem tax deductions payable	\$ 2,231.94
Deferred tax revenue	<u>9,392.48</u>
Total Liabilities	<u>11,624.42</u>
Fund Balance:	
Unreserved	<u>164,524.39</u>
Total Fund Balance	<u>164,524.39</u>
Total Liabilities & Fund Balance	<u>\$ 176,148.81</u>

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

Livingston Parish Fire District Ten

Statement D

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2003**

Total Fund Balances, Governmental Funds \$ 164,524.39

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Governmental capital assets, net of Accumulated Depreciation 185,351.94

Net Assets, Governmental Activities \$ 349,876.33

The accompanying notes are integral part of these financial statements.

Livingston Parish Fire District Ten

Statement E

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2003

	General Fund
Revenues	
Ad Valorem	\$ 52,152.89
State Revenue Sharing	9,936.00
Fire Insurance Rebate	12,648.08
Interest	1,251.85
Donations	<u>4,300.00</u>
Total Revenues	<u>80,288.82</u>
Expenditures	
<i>Current Expenditures:</i>	
Operating Services	30,670.02
Professional Services	1,750.00
Supplies	6,685.50
Miscellaneous	805.63
<i>Capital Outlay:</i>	
Capital Outlay	<u>4,000.00</u>
Total Expenditures	<u>43,911.15</u>
Net Change in Fund Balance	36,377.67
Fund Balance, Beginning of Year	<u>128,146.72</u>
Fund Balance, End of Year	<u>\$ 164,524.39</u>

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

Livingston Parish Fire District Ten

Statement F

**Reconciliation of the Change in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2003**

Total Net Change in Fund Balances, Governmental Funds \$ **36,377.67**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:

Capital outlay	4,000.00
Depreciation expense	<u>(22,442.83)</u>

Change in Net Assets, Governmental Activities \$ **17,934.84**

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

Basic Financial Statements
Notes to the Financial Statements

LIVINGSTON PARISH FIRE PROTECTION DISTRICT TEN

Notes to the Financial Statements As of and for the Year Ended December 31, 2003

INTRODUCTION

The Livingston Parish Fire Protection District Ten, ("the District"), is a body corporate created by the Livingston Parish Council (formally the Livingston Parish Police Jury), as provided by Louisiana Revised Statutes. The Fire District is governed by a board of commissioners who are now appointed by the Livingston Parish Council.

The financial statements of the District have been prepared in accordance with accounting principals generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board, (GASB), is the standard setting body for governmental accounting and reporting. On June 30, 2002, 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.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Livingston Parish Fire Protection District Ten is considered a component unit of the Livingston Parish Council (formerly the Livingston Parish Police Jury). As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Livingston Parish Fire Protection District Ten. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT TEN
Notes to the Financial Statements
December 31, 2003

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Livingston Parish Fire Protection District Ten reports the following governmental funds:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund. The District also maintains a Debt Service fund. This fund is used to account for all debt fundings and retirements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT TEN
Notes to the Financial Statements
December 31, 2003

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The District's investment policy allow the entity to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments for the District are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectives.

Property Taxes

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 2003, taxes of 11.13 were levied on property within the Fire District's boundaries.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT TEN
Notes to the Financial Statements
December 31, 2003

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. At December 31, 2003, the District did not have a formal capitalization policy establishing a capitalization/expense threshold.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	25-40 Years
Furniture and fixtures	5-7 Years
Vehicles	5-15 Years
Equipment	5-10 Years

H. Compensated Absences

At December 31, 2003, 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. There is no provision for leave carryover, therefore, leave accruals are not necessary.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT TEN
Notes to the Financial Statements
December 31, 2003

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence that are beyond the control of management. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION

The District uses the following budget practices:

1. The Secretary/Treasurer 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 the passage of a resolution prior to the commencement of the fiscal year for which the budget is adopted.

The adopted budget constitutes the authority of the District 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.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT TEN
Notes to the Financial Statements
December 31, 2003

3. CASH AND CASH EQUIVALENTS

At December 31, 2003, the District has cash and cash equivalents (book balances) totaling \$110,912 as follows:

LIVINGSTON PARISH FIRE PROTECTION DISTRICT TEN
Notes to the Financial Statements
December 31, 2003

Demand Deposit	\$ 9,659
	<u>101,253</u>
Cash & Cash Equivalents	<u>\$ 110,912</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, 2003, the District has \$110,079.82 in deposits (collected bank balances). These deposits are secured from risk by \$100,000.00 (Category 1) of federal deposit insurance and \$10,079.82 (Category 3) of pledged securities held by the custodial bank in the name of the fiscal agent bank.

4. INVESTMENTS

The District considers investments to be any treasury debt instruments, time deposits, or other legal investments with a maturity at purchase of more than 90 days. Investments are stated at market value.

5. RECEIVABLES

The receivables of \$65,236.69 at December 31, 2003, are as follows:

Property Tax Receivable	\$ <u>65,237</u>
Receivables at December 31, 2003 (Net)	<u>\$ 65,237</u>

Uncollectible amounts 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. The District believes all property taxes are collectable based on prior experience.

6. CAPITAL ASSETS

Capital Assets at December 31, 2003, were as follows:

LIVINGSTON PARISH FIRE PROTECTION DISTRICT TEN
Notes to the Financial Statements
December 31, 2003

	Balance at 01-31-03	Additions	Deletions	Balance at 12-31-03
Land	\$ 7,483			\$ 7,483
Buildings	82,336	4,000		86,336
Machinery and Equipment	17,891			17,891
Trucks	<u>280,720</u>			<u>280,720</u>
 Total	 <u>\$ 388,430</u>	 <u>\$ 4,000</u>		 <u>\$ 392,430</u>
Accumulated Depreciation December 31, 2003				<u>207,078</u>
Fixed Assets (Net) December 31, 2003				<u>\$ 185,352</u>

7. COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem payments to Board members is required to be presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute. The Board does not receive any compensation for their services..

8. CONTINGENT LIABILITIES

According to the Fire District's legal counsel, there is no pending litigation against the Fire District.

9. RESTATEMENT

The Board of Commissioners implemented new reporting model standards in the year 2003. As a result, beginning balances of fund equity have been restated and converted to net assets as reported in the government-wide financial statements. The details of said restatement are as follows:

Fund Balance at January 1, 2003	\$ 128,147
Fixed Assets (net) January 1, 2003	<u>203,795</u>
Fund Balance restated as Net Assets at January 1, 2003	<u>\$ 331,942</u>

Required Supplemental Information (Part II)

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds**

Livingston Parish Fire District Ten

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2003**

	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
Revenues				
Ad Valorem	\$ 60,000	\$ 55,000	\$ 52,153	\$ (2,847)
State Revenue Sharing	10,500	10,500	9,936	(564)
Fire Insurance Rebate	12,000	12,000	12,648	648
Interest			1,252	1,252
Donations	10,000	4,300	4,300	0
	<u>92,500</u>	<u>81,800</u>	<u>80,289</u>	<u>(1,511)</u>
Total Revenues				
Expenditures				
<i>Current Expenditures:</i>				
Operating Services	81,100	62,400	30,670	31,730
Professional Services	1,200	1,800	1,750	50
Supplies	1,000	1,000	6,686	(5,686)
Miscellaneous	2,000	2,000	806	1,194
<i>Capital Outlay:</i>				
Capital Outlay		4,000	4,000	0
	<u>85,300</u>	<u>71,200</u>	<u>43,911</u>	<u>27,289</u>
Total Expenditures				
Excess Revenues (Expenditures)	<u>7,200</u>	<u>10,600</u>	<u>36,378</u>	<u>\$ 25,778</u>
Fund Balance, Beginning of Year	128,147	128,147	128,147	
Fund Balance, End of Year	<u>\$ 135,347</u>	<u>\$ 138,747</u>	<u>\$ 164,524</u>	

Other Supplemental Information

Livingston Parish Fire Protection District Ten

**Current Year Findings, Recommendations, and Corrective Action Plan
For the Year Ended December 31, 2003**

Section I - Internal Control and Compliance Material to the Financial Statements

No Section I findings.

Section II - Internal Control and Compliance Material to Federal Awards

Section II not Applicable.

Section III - Management Letter

No Section III findings.

Livingston Parish Fire Protection District Ten

**Status of Prior Year Audit Findings
For the Year Ended December 31, 2003**

Section I - Internal Control and Compliance Material to the Financial Statements

No Section I findings.

Section II - Internal Control and Compliance Material to Federal Awards

Section II not applicable.

Section III Management Letter

No Section III findings.

Other Reports

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

**Board Members of
Livingston Parish Fire Protection District Ten
Denham Springs, Louisiana**

I have audited the basic financial statements of the **Livingston Parish Fire Protection District Ten**, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2003, and have issued my report thereon dated April 16, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Compliance

As part of obtaining reasonable assurance about whether the **Livingston Parish Fire Protection District Ten's** basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the **Livingston Parish Fire Protection District Ten's** internal control over financial reporting to determine our auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My 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 does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information and use of the **Livingston Parish Fire Protection District Ten** and its management, the Louisiana Legislative Auditor, the State of Louisiana and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Leroy J. Chustz
Certified Public Accountant, APAC
April 16, 2004