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**FIRE PROTECTION DISTRICT NUMBER TEN
OF LIVINGSTON PARISH
STATE OF LOUISIANA**

General Purpose Financial Statements
and Independent Auditor's Reports

As of and for the Year Ended December 31, 1999
With Supplemental Information Schedule

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 JUL 19 2000

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Livingston Parish Fire Protection District Number Ten
State of Louisiana

I have audited the accompanying general purpose financial statements of **Livingston Parish Fire Protection District Number Ten**, Holden, Louisiana, a component unit of Livingston Parish Council, as of and for the year ended December 31, 1999, as listed in the Table of Contents. These general purpose financial statements are the responsibility of Livingston Parish Fire Protection District Number Ten's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor. Those standards require that I 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 general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial position of Livingston Parish Fire Protection District Number Ten, as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated April 21, 2000, on my consideration of Livingston Parish Fire Protection District Number Ten's internal control structure and a report dated April 21, 2000, on its compliance with laws and regulations.

Leroy J. Chustz

Leroy J. Chustz
Certified Public Accountant, APAC
April 21, 2000

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Board of Commissioners
Livingston Parish Fire Protection District Number Ten
State of Louisiana**

I have audited the financial statements of **Livingston Parish Fire Protection District Number Ten**, Holden, Louisiana, a component unit of Livingston Parish Council, as of and for the year ended December 31, 1999, and have issued my report thereon dated April 21, 2000. I conducted my audit in accordance with generally accepted auditing 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 Livingston Parish Fire Protection District Number Ten's financial statements are free of material misstatement, I performed tests of 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings and Questioned Costs as Finding 98-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Livingston Parish Fire Protection District Number Ten's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the 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 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 of Livingston Parish Fire Protection District Number Ten's management, and federal awarding agencies and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Leroy J. Chustz

Leroy J. Chustz
Certified Public Accountant, APAC
April 21, 2000

FIRE PROTECTION DISTRICT NUMBER TEN
OF LIVINGSTON PARISH
Holden, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1999

ASSETS

	<u>GOVERNMENTAL FUND TYPE- GENERAL FUND</u>	<u>ACCOUNT GROUP GENERAL FIXED ASSETS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
CURRENT ASSETS			
Cash and cash equivalents (Note 1,F)	\$ 70,933	\$ -0-	\$ 70,933
Receivables Ad valorem taxes	<u>45,487</u>	<u>-0-</u>	<u>45,487</u>
Total current assets	<u>116,420</u>	<u>-0-</u>	<u>116,420</u>
GENERAL FIXED ASSETS			
Buildings	-0-	82,336	82,336
Land and improvements	-0-	7,483	7,483
Equipment and furniture	-0-	17,891	17,891
Fire protection equipment	<u>-0-</u>	<u>219,238</u>	<u>219,238</u>
Total general fixed assets	<u>-0-</u>	<u>326,948</u>	<u>326,948</u>
TOTAL ASSETS	<u>\$116,420</u>	<u>\$326,948</u>	<u>\$443,368</u>

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES			
Deductions from ad valorem taxes payable	\$ <u>1,611</u>	\$ <u>-0-</u>	\$ <u>1,611</u>
Total current liabilities	<u>1,611</u>	<u>-0-</u>	<u>1,611</u>
FUND EQUITY			
Investments in general fixed assets	-0-	326,948	326,948
Fund balance- Unreserved, undesignated	<u>114,809</u>	<u>-0-</u>	<u>114,809</u>
Total fund equity	<u>114,809</u>	<u>326,948</u>	<u>441,757</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$116,420</u>	<u>\$326,948</u>	<u>\$443,368</u>

See accompanying notes to the financial statements.

FIRE PROTECTION DISTRICT NUMBER TEN
OF LIVINGSTON PARISH
Holden, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES - GENERAL FUND
For the Year Ended December 31, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Ad valorem taxes	\$ 37,000	\$ 41,824	\$ 4,824
Intergovernmental revenues			
State Revenue Sharing	11,000	9,960	(1,040)
Rural Development Grant	25,000	25,000	-0-
Fire insurance premium rebate	9,200	9,327	127
Use of money and property-			
Interest earnings	-0-	4,349	4,349
Other revenues	<u>16,500</u>	<u>16,407</u>	<u>(93)</u>
 TOTAL REVENUES	 <u>98,700</u>	 <u>106,867</u>	 <u>8,167</u>
<u>EXPENDITURES</u>			
Current operating			
Public safety	41,500	53,833	(12,333)
Capital outlay			
Public safety	<u>110,000</u>	<u>99,841</u>	<u>10,159</u>
 TOTAL EXPENDITURES	 <u>151,500</u>	 <u>153,674</u>	 <u>(2,174)</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>(52,800)</u>	 <u>(46,807)</u>	 <u>5,993</u>
 FUND BALANCE AT BEGINNING OF YEAR	 <u>161,616</u>	 <u>161,616</u>	
 FUND BALANCE AT END OF YEAR	 <u>\$108,816</u>	 <u>\$114,809</u>	

See accompanying notes to the financial statements.

**FIRE PROTECTION DISTRICT NUMBER TEN
OF LIVINGSTON PARISH
Holden, Louisiana**

**Notes to the Financial Statements
For the Year Ended December 31, 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fire Protection District Number Ten of Livingston Parish, Holden, Louisiana, was created by the Livingston Parish Police Jury (now the Livingston Parish Council) on September 10, 1985, pursuant to the provisions of R.S. 33:3811, et. seq., of the Louisiana Revised Statutes of 1950.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local government.

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units which should be included within the reporting entity. The reporting entity for Livingston Parish includes the component unit with oversight responsibility, and other governmental entities within the parish for which the police jury has oversight responsibility. Oversight responsibility is determined on the basis of the following criteria:

1. Financial interdependency
2. Selection of governing authority
3. Designation of management
4. Ability to significantly influence operations
5. Accountability for fiscal matters
6. Scope of public service
7. Special financing relationship

Based on the previous criteria, the Livingston Parish Council has determined that Fire Protection District Number Ten of Livingston Parish is part of the reporting entity based on Criteria 2, 4, and 6.

The accounting policies of Fire Protection District Number Ten of Livingston Parish conform to generally accepted accounting principles. The following is a summary of the significant policies.

A. FUND ACCOUNTING

The fire district is organized and operated on the basis of a fund and account group whereby a separate, self balancing set of accounts (General Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenditures.

B. MEMORANDUM ONLY-TOTAL COLUMN

The total column on the balance sheet is captioned *Memorandum Only (overview)* to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

C. ***BASIS OF ACCOUNTING***

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The fire district's records are maintained on a cash basis of accounting. However, the General Fund, as reported in the accompanying financial statements, has been converted to a modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. The amount of taxes not expected to be collected is not material and no provision for such is provided.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D. ***BUDGET PRACTICE***

The fire district adopts an annual budget based on anticipated revenues consistent with generally accepted accounting principles. Annual appropriations of funds are not made. Budgetary accounts are not integrated in the formal accounting system. Encumbrance accounting is not followed because of the small number of transactions involved.

E. ***GENERAL FIXED ASSETS AND LONG-TERM LIABILITIES***

Fixed assets are accounted for in the general fixed assets account group, rather than in the General Fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs. The account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations. It is the policy of the district not to capitalize interest. Although no infrastructure is owned by the district, the district's policy would require reporting of such assets.

F. ***CASH AND CASH EQUIVALENTS***

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

FIRE PROTECTION DISTRICT NUMBER TEN
Notes to the Financial Statements, Continued
December 31, 1999

As confirmed by the fiscal agent and other institutions, the district had cash and cash equivalents totaling \$70,933 (book balances) at December 31, 1999. Cash and cash equivalents are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to the parties involved. The following is a summary of cash and cash equivalents at December 31, 1999, with the related federal deposit insurance and pledged securities. The cash and cash equivalents at December 31, 1999, were secured as follows:

Bank balances	<u>\$ 71,131</u>
Federal deposit insurance	<u>\$100,000</u>
Total uninsured deposits	<u>\$ -0-</u>

G. PENSION PLAN AND VACATION AND SICK LEAVE

All members of the fire district are volunteers. Therefore, the fire district does not contribute to a pension plan and does not have a formal vacation and leave policy.

H. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. LEVIED TAXES

A 10.64 mill ad valorem tax was authorized and levied for 1999.

3. CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in fixed assets.

	<u>BALANCE</u> <u>12/31/98</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/99</u>
Buildings	\$ 82,336	\$ -0-	\$ -0-	\$ 82,336
Land	7,483	-0-	-0-	7,483
Equipment and Furniture	8,050	9,841	-0-	17,891
Fire Protection Equipment	<u>129,238</u>	<u>90,000</u>	<u>-0-</u>	<u>219,238</u>
Totals	<u>\$227,107</u>	<u>\$99,841</u>	<u>\$ -0-</u>	<u>\$326,948</u>

4. **SCHEDULE OF PER DIEM**

Louisiana Revised Statute 33:4564(B) provides that commissioners may receive a per diem of ten dollars for each meeting of the commission; however, the district's commissioners have elected not to receive any compensation for their services.

5. **LEASES**

Fire Protection District Number Ten has no capital or operating lease obligations at December 31, 1999.

6. **LITIGATION AND CLAIMS**

According to legal counsel, there are no claims nor litigation pending against the fire district at December 31, 1999.

FIRE PROTECTION DISTRICT NUMBER TEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 1999

I have audited the financial statements of Fire Protection District Number Ten, as of and for the year ended December 31, 1999, and have issued our report thereon dated April 21, 2000. I conducted my 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. My audit of the financial statements as of December 31, 1999, resulted in an unqualified opinion.

Section I Summary of Auditor's Results

	YES	NO	N/A
<i>Financial Statements</i>			
Internal control over financial reporting:			
Material weakness(es)		X	
Reportable condition(s)		X	
Noncompliance material to the financial statements		X	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified			X
Reportable condition(s) identified			X
Type of auditor's report on compliance for major programs			X
Any findings required to be reported by section 510(a) of Circular A-133			X

Identification of Major Programs:

CFDA Number(s) _____ Name of Federal Program (or Cluster) _____

Not applicable

Dollar threshold used to distinguish between Type A and Type B Programs: \$ N/A

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No N/A

Section II Financial Statement Findings

Current Year Findings

No Findings to Report.

Prior Year Findings

Finding 98-1 Repeat of 97-1

CONDITION

Bank balances of \$124,350 exceed the amount of insurance by \$124,350.

CRITERIA

LSA-RS 39:1225 requires that amounts on deposit in banks must at all times be secured by either insurance and/or pledged securities.

EFFECT

There were no securities pledged by the bank to cover balances in excess of the \$100,000 insurance coverage.

CAUSE

The bank's records did not reflect that the District is a governmental entity. Therefore, the bank was not aware of the need to collateralize the account.

RECOMMENDATION

The District should take immediate steps to have all deposits in excess of \$100,000 collateralized.

DISTRICT RESPONSE

The District will make sure balances are fully insured or collateralized at all times.

Section III Federal Award Findings and Questioned Costs

No Findings to Report.

FIRE PROTECTION DISTRICT NUMBER TEN

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended December 31, 1999

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

No findings reported.

Section II-Internal Control and Compliance Material to Federal Awards:

No findings reported.

Section III-Management Letter:

No findings reported.

FIRE PROTECTION DISTRICT NUMBER TEN
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 1999

SECTION I-Internal Control and Compliance Material to the Financial Statements:

Finding 98-1 has been resolved.

SECTION II-Internal Control and Compliance Material to the Federal Awards:

No findings reported.

SECTION III-Management Letter:

No findings reported.