

FIRE PROTECTION DISTRICT NO. 5
OF LIVINGSTON PARISH

REPORT ON AUDIT OF
COMPONENT UNIT FINANCIAL STATEMENTS

DECEMBER 31, 2000

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 8-22-01

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June 7, 2001

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying component unit only financial statements of the Fire Protection District No. 5 of Livingston Parish, Louisiana, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2000, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the component unit financial statements referred to in paragraph one present fairly, in all material respects, the financial position of the Fire Protection District No. 5 of Livingston Parish, Louisiana, as of December 31, 2000, and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Fire Protection District No. 5 of
Livingston Parish

In accordance with Government Auditing Standards, we have also issued a report dated June 7, 2001, on our consideration of Fire Protection District No. 5 of Livingston Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 our audit.

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The individual fund and individual account group financial statements and the supplementary information and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the component unit financial statements of the Fire Protection District No. 5 of Livingston Parish, Louisiana. Such information has been subjected to the auditing procedures applied in the examination of the component unit financial statements, and, in our opinion, the information is fairly stated in all material respects in relation to the component unit financial statements taken as a whole.

Respectfully submitted,

Harold J. Bourgeois, CPA

**COMPONENT UNIT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 2000

	Governmental Fund Type		
	General	Debt Service	Capital Projects
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 21,681	\$ 12,646	\$ 417,610
Investments (Certificates of Deposit with Maturities Greater Than 90 Days)	104,374	-	-
Property Tax Receivables, Net of Allowance for Uncollectible Accounts	221,750	201,567	-
Due From Other Governments	22,094	-	-
Fixed Assets	-	-	-
Due from General Fund	-	4,978	-
Due from Capital Projects	5,665	5,000	-
Due from Debt Service	-	-	-
Other Assets	9,043	-	1,594
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-
Total Assets	\$ 384,607	\$ 224,191	\$ 419,204
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts Payable	\$ 25,964	\$ 6,979	\$ -
Payroll Taxes Payable	2,413	-	-
Short-Term Note Payable	30,030	-	-
Due to Debt Service Fund	4,978	-	5,000
Due to Capital Projects Fund	-	-	-
Due to General Fund	-	-	5,665
Obligation Under Capital Lease	-	-	-
General Obligation Bond Payable	-	-	-
Total Liabilities	63,385	6,979	10,665
Fund Equity:			
Investment in General Fixed Assets	-	-	-
Fund Balance:			
Reserved for Debt Service	-	217,212	-
Unreserved - Undesignated	321,222	-	408,539
Total Fund Equity	321,222	217,212	408,539
Total Liabilities and Fund Equity	\$ 384,607	\$ 224,191	\$ 419,204

The accompanying notes constitute an integral part of this statement.

Exhibit A

Account Groups		Totals (Memorandum Only)	
General Fixed Assets	General Long-Term Debt	2000	1999
\$ -	\$ -	\$ 451,937	\$ 613,435
-	-	104,374	103,061
-	-	423,317	299,395
-	-	22,094	22,314
2,131,576	-	2,131,576	1,947,039
-	-	4,978	4,469
-	-	10,665	-
-	-	-	3,694
-	-	10,637	619
-	<u>1,235,365</u>	<u>1,235,365</u>	<u>1,346,857</u>
<u>\$ 2,131,576</u>	<u>\$ 1,235,365</u>	<u>\$ 4,394,943</u>	<u>\$ 4,340,883</u>
\$ -	\$ -	\$ 32,943	\$ 40,543
-	-	2,413	1,925
-	-	30,030	-
-	-	9,978	4,469
-	-	-	3,461
-	-	5,665	233
-	225,365	225,365	246,857
-	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,100,000</u>
-	1,235,365	1,316,394	1,397,488
2,131,576	-	2,131,576	1,947,039
-	-	217,212	167,569
-	-	<u>729,761</u>	<u>828,787</u>
<u>2,131,576</u>	-	<u>3,078,549</u>	<u>2,943,395</u>
<u>\$ 2,131,576</u>	<u>\$ 1,235,365</u>	<u>\$ 4,394,943</u>	<u>\$ 4,340,883</u>

Debt Service Fund			Capital Projects Fund		
Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
\$ 175,000	\$ 197,984	\$ 22,984	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
2,000	1,748	(252)	10,000	16,532	6,532
-	-	-	-	-	-
-	-	-	-	-	-
<u>177,000</u>	<u>199,732</u>	<u>22,732</u>	<u>10,000</u>	<u>16,532</u>	<u>6,532</u>
34,000	15,247	18,753	-	-	-
100	33	67	100	31	69
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	200,000	181,465	18,535
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,000	6,979	21	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
90,000	90,000	-	-	-	-
<u>38,000</u>	<u>37,830</u>	<u>170</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>169,100</u>	<u>150,089</u>	<u>19,011</u>	<u>200,100</u>	<u>181,496</u>	<u>18,604</u>
7,900	49,643	41,743	(190,100)	(164,964)	25,136
-	-	-	(500)	(584)	(84)
-	-	-	(500)	(584)	(84)
7,900	49,643	41,743	(190,600)	(165,548)	25,052
<u>167,569</u>	<u>167,569</u>	<u>-</u>	<u>574,087</u>	<u>574,087</u>	<u>-</u>
\$ 175,469	\$ 217,212	\$ 41,743	\$ 383,487	\$ 408,539	\$ 25,052

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2000

(1) Summary of Significant Accounting Policies -

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

The financial statements of the District have been prepared in accordance with accounting principles 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 financial reporting. On June 30, 2000, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Fire District's Board of Commissioners. Control by or dependence on the board was determined on the basis of taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

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

B. Fund Accounting

The accounts of the Fire District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2000

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

are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds of the Fire District are grouped, in the financial statements in this report, into three generic fund types and one broad fund category as follows:

General Fund - The General Fund is the general operating fund of the Fire District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general obligation bond principal, interest, and related costs.

Capital Projects Fund - The capital projects fund is used to account for the financial resources used to acquire, construct, or renovate capital assets of the District.

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

General Fixed Asset Account Group - The fixed assets used in the governmental fund type operations of the Fire District are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. Donated assets are recorded at their fair market value at date of donation. At December 31, 2000, estimated fair value of donated assets amounted to \$16,158.

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

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2000

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

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes are recorded as revenues when levied even though a portion of the taxes may be collected in subsequent years.

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

D. Budgetary Practices

The District utilizes the following budgetary practices:

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

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2000

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

The adopted budget constitutes the authority of the Fire Chief to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

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

E. Encumbrances

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

The actual results of operations are presented in accordance with GAAP and the District's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. Encumbrances are presented as a reservation for encumbrances on the balance sheets of the governmental funds. At December 31, 2000, the District had no outstanding encumbrances.

F. Bad Debts

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

G. Total Columns on Combined Statements

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

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2000

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

H. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

I. Accounting Development - GASB Statement No. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements will include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
 - Financial statements will be prepared using full accrual accounting for all of the District's activities, including reporting infrastructure assets (roads, bridges, etc.).
 - A change in the fund financial statements to focus on the major funds.

The general provisions of GASB Statement No. 34 must be implemented by the District no later than the fiscal year ending December 31, 2004.

(2) Property Taxes -

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

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2000

(2) Property Taxes - (Continued) -

In addition, on July 17, 1999, the voters of Fire Protection District No. 5 of Livingston Parish approved the authorization of the issuance of \$1,100,000 in General Obligation Bonds. The proceeds of said bonds to be used to acquire, construct, or improve buildings, machinery and equipment. The bonds are to be paid through the levy of a 10-year ad valorem tax in an amount sufficient to pay maturing principal and interest each year. This tax shall begin with the year 1999 and ends with the year 2008.

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 2000, taxes of 18.00 mills were levied on property with assessed valuations totaling \$23,292,240.

Total taxes assessed and taxes receivable at December 31, 2000, are as follows:

	General Operations <u>9.50 Mills</u>	Debt Service <u>8.50 Mills</u>	<u>Total</u>
<u>Revenues:</u>			
2000 Property Tax Assessed	\$ 223,796	\$ 197,984	\$ 421,780
	=====	=====	=====

(CONTINUED)

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2000

(2) Property Taxes - (Continued) -

	General Operations <u>9.50 Mills</u>	Debt Service <u>8.50 Mills</u>	<u>Total</u>
<u>Receivable:</u>			
2000 Property Tax Assessed	\$ 223,796	\$ 197,984	\$ 421,780
Less: Current Year Taxes Collected in 2000	<u>-</u>	<u>-</u>	<u>-</u>
Taxes Receivable - Current Year	223,796	197,984	421,780
Prior Years Tax Receivables at December 31, 1999	145,427	180,886	326,313
Less: Prior Years Tax Collected in 2000	(116,485)	(150,935)	(267,420)
Less: Prior Years Receivables Written Off Against Allowance	<u>(17,711)</u>	<u>(15,247)</u>	<u>(32,958)</u>
Taxes Receivable - Prior Years	<u>11,231</u>	<u>14,704</u>	<u>25,935</u>
Total Property Taxes Receivable at December 31, 2000	235,027	212,688	447,715
Less: Allowance for Uncollectible Accounts	<u>(13,277)</u>	<u>(11,121)</u>	<u>(24,398)</u>
Net Property Tax Receivable at December 31, 2000	<u>\$ 221,750</u>	<u>\$ 201,567</u>	<u>\$ 423,317</u>

(3) Changes in General Fixed Assets -

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

	Land And <u>Buildings</u>	<u>Equipment</u>	Furniture And <u>Fixtures</u>	Equipment Under Capital <u>Lease</u>	<u>Total</u>
Balance - January 1, 2000	\$ 250,412	\$ 1,354,302	\$ 16,744	\$ 325,581	\$ 1,947,039
Additions	83,023	101,514	-	-	184,537
Deletions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance - December 31, 2000	<u>\$ 333,435</u>	<u>\$ 1,455,816</u>	<u>\$ 16,744</u>	<u>\$ 325,581</u>	<u>\$ 2,131,576</u>

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2000

(4) Changes in Long-Term Debt -

The following is a summary of long-term debt transactions of the District for the year ended December 31, 2000:

	<u>Bonds Payable</u>	<u>Obligation Under Capital Lease</u>	<u>Total</u>
Principal Balance at January 1, 2000	\$ 1,100,000	\$ 246,857	\$ 1,346,857
Increase in Debt	-	-	-
Principal Paid	<u>(90,000)</u>	<u>(21,492)</u>	<u>(111,492)</u>
Principal Balance at December 31, 2000	<u>\$ 1,010,000</u>	<u>\$ 225,365</u>	<u>\$ 1,235,365</u>

General Obligation Bond:

On July 17, 1999, a special election was held whereby voters approved the incurring of debt and issuance of bonds in an amount not to exceed \$1,100,000.

On December 1, 1999 the District issued general obligation bonds in the amount of \$1,100,000 for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including both real and personal property, to be used in providing fire protection to the property in the District.

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2000

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

A schedule of the outstanding 1999 General Obligation and the interest and principal requirements by dates is as follows:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
3/01/2001	\$ 95,000	\$ 24,492	\$ 119,492
9/01/2001		22,189	22,189
3/01/2002	95,000	22,189	117,189
9/01/2002		19,885	19,885
3/01/2003	100,000	19,885	119,885
9/01/2003		17,460	17,460
3/01/2004	105,000	17,460	122,460
9/01/2004		14,914	14,914
3/01/2005	110,000	14,914	124,914
9/01/2005		12,246	12,246
3/01/2006	115,000	12,246	127,246
9/01/2006		9,458	9,458
3/01/2007	125,000	9,458	134,458
9/01/2007		6,426	6,426
3/01/2008	130,000	6,426	136,426
9/01/2008		3,274	3,274
3/01/2009	<u>135,000</u>	<u>3,273</u>	<u>138,273</u>
Totals	<u>\$ 1,010,000</u>	<u>\$ 236,195</u>	<u>\$ 1,246,195</u>

(5) Obligations Under Capital Leases -

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

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

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2000

(5) Obligations Under Capital Leases - (Continued)

The following is a schedule by years of the future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2000:

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 10, 2001	\$ 22,781	\$ 13,493	\$ 36,274
March 10, 2002	24,144	12,130	36,274
March 10, 2003	25,590	10,683	36,273
March 10, 2004	27,122	9,152	36,274
March 10, 2005	28,746	7,527	36,273
March 10, 2006	30,467	5,807	36,274
March 10, 2007	32,291	3,982	36,273
March 10, 2008	<u>34,224</u>	<u>2,050</u>	<u>36,274</u>
	<u>\$ 225,365</u>	<u>\$ 64,824</u>	<u>\$ 290,189</u>

The District has no operating leases at December 31, 2000.

(6) Short-Term Note Payable -

At December 31, 2000, the District has an unsecured short-term Note payable with Hancock Bank. The Note is dated December 13, 2000 and matures January 8, 2001, with a stated interest rate of 7.71% per annum. At December 31, 2000, the outstanding balance of the Note is \$30,030 as reflected on the Balance Sheet of the General Fund.

(7) Cash and Cash Equivalents -

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit with original maturities of 90 days or less when purchased. Under state law the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the District may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2000

(7) Cash and Cash Equivalents - (Continued)

As confirmed by the fiscal agents, the District had cash and cash equivalents and certificates of deposit with maturities greater than 90 days totaling \$571,017 with a carrying amount of \$556,311 at December 31, 2000. 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. The following is a summary of cash and cash equivalents and certificates of deposit with maturities greater than 90 days at December 31, 2000, with the related federal deposit insurance and pledged securities, if any. The cash and cash equivalents and certificates of deposit with maturities greater than 90 days at December 31, 2000, were secured as follows:

	<u>Confirmed Bank Balance December 31, 2000</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Cash	\$ 51,970	\$ 100,000	\$ -
Cash Equivalents - Time Certificates of Deposit (Maturities 90 Days or Less)	414,673	100,000	314,673
Certificates of Deposit - (Maturities Greater Than 90 Days)	<u>104,374</u>	<u>-</u>	<u>104,374</u>
Total Certificates of Deposit	<u>519,047</u>	<u>100,000</u>	<u>419,047</u>
Total	<u>\$ 571,017</u>	<u>\$ 200,000</u>	<u>\$ 419,047</u>
 Uncollateralized – Securities Pledged and Held by the Custodial Bank in the Name of the Fiscal Agent			 <u>799,500</u>
Deficiency of FDIC Insurance and Pledged Securities over Cash and Cash Equivalents			 <u>\$ None</u>

(8) Litigation -

There is no litigation pending against the Fire District.

(9) Compensated Absences, Pension Plan, and Other Post employment Benefits -

At December 31, 2000, the District has no plan or provision for compensated absences, pension plan or other post employment benefits. Vacation time cannot be accumulated and must be taken by the end of the year earned.

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2000

(10) On-Behalf Payments -

GASB No. 24 requires government employers to disclose the amount recognized in the financial statements for on-behalf payments of salaries and fringe benefits.

Supplementary salary payments are made by the State of Louisiana directly to certain District employees. The District is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the State. For the fiscal year ended December 31, 2000, the State paid supplemental salaries to the District's employees in the amount of \$9,480.

**FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS**

GENERAL FUND

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

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH
GENERAL FUND**

COMPARATIVE BALANCE SHEETS

DECEMBER 31, 2000 AND 1999

ASSETS	<u>2000</u>	<u>1999</u>
Cash and Cash Equivalents	\$ 21,681	\$ 19,866
Investments (Certificates of Deposit with Maturities Greater Than 90 Days)	104,374	103,061
Property Tax Receivables, Net of Allowance for Uncollectible Accounts of \$13,277 for 2000 and \$15,797 for 1999	221,750	129,630
State Revenue Sharing Tax Receivable	22,094	22,314
Other Receivables	9,008	584
Due From Capital Projects	5,665	-
Due from Debt Service	-	233
Other Assets	<u>35</u>	<u>35</u>
Total Assets	<u>\$ 384,607</u>	<u>\$ 275,723</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 25,964	\$ 14,629
Payroll Taxes Payable	2,413	1,925
Short-Term Note Payable	30,030	-
Due to Debt Service Fund	<u>4,978</u>	<u>4,469</u>
Total Liabilities	63,385	21,023
Fund Balance:		
Unreserved - Undesignated	<u>321,222</u>	<u>254,700</u>
Total Fund Equity	<u>321,222</u>	<u>254,700</u>
Total Liabilities and Fund Balance	<u>\$ 384,607</u>	<u>\$ 275,723</u>

See auditor's report.

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH
GENERAL FUND**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
Revenues:		
Taxes	\$ 223,796	\$ 127,102
State Revenue Sharing	66,722	65,546
State Supplemental Pay	9,480	7,600
Interest	7,928	7,106
Fire Insurance Commission	25,648	24,669
Donations	24,260	34,808
Miscellaneous	<u>1,525</u>	<u>-</u>
Total Revenues	359,359	266,831
Expenditures:		
General Government:		
Bad Debts	17,465	7,684
Bank Charges	126	2
Call Out Reimbursement	3,989	4,352
Dispatch Services	6,000	6,000
Equipment and Property Purchases	3,072	23,816
Insurance	34,310	33,149
Legal and Accounting	8,030	7,000
Medical Expense	5,761	664
Miscellaneous	3,964	4,022
Assessor's Pension Fund	7,791	4,847
Repairs and Maintenance	7,466	10,940
Salary Expense and Related Taxes	83,400	72,912
Supplies and Small Equipment	36,690	14,964
Telephone and Utilities	11,907	11,173
Training	1,415	2,636
Vehicle Expenses	25,178	33,180
Debt Service:		
Lease Payments	21,492	20,279
Interest	<u>14,781</u>	<u>16,061</u>
Total Expenditures	292,837	273,681
Excess (Deficiency) of Revenues over Expenditures	66,522	(6,850)
Fund Balance at Beginning of Year	<u>254,700</u>	<u>261,550</u>
Fund Balance at End of Year	<u>\$ 321,222</u>	<u>\$ 254,700</u>

See auditor's report.

DEBT SERVICE FUND

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

General Obligation Bond - Issued December 1, 1999 for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including both real and personal property, to be used in providing fire protection to the property in the District. Payments are due in annual installments of principal and semi-annual installments of interest until maturity in 2009. Interest rate is 4.85%. Revenues from ad valorem taxes are dedicated to service this debt.

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH
DEBT SERVICE FUND**

COMPARATIVE BALANCE SHEETS

DECEMBER 31, 2000 AND 1999

ASSETS

	<u>2000</u>	<u>1999</u>
Cash and Cash Equivalents	\$ 12,646	\$ 3,513
Property Tax Receivables, Net of Allowance for Uncollectible Accounts of \$11,121 for 2000 and \$11,121 for 1999	201,567	169,765
Due from General Fund	4,978	4,469
Due From Capital Projects Fund	<u>5,000</u>	<u>-</u>
Total Assets	<u>\$ 224,191</u>	<u>\$ 177,747</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts Payable	\$ 6,979	\$ 6,484
Due to General Fund	-	233
Due to Capital Projects Fund	<u>-</u>	<u>3,461</u>
Total Liabilities	6,979	10,178

Fund Balance:

Reserved for Debt Service	<u>217,212</u>	<u>167,569</u>
Total Fund Balance	<u>217,212</u>	<u>167,569</u>
Total Liabilities and Fund Balance	<u>\$ 224,191</u>	<u>\$ 177,747</u>

See auditor's report.

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH
DEBT SERVICE FUND**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
Revenues:		
Property Taxes	\$ 197,984	\$ 185,345
Interest	<u>1,748</u>	<u>88</u>
Total Revenues	199,732	185,433
Expenditures:		
Bad Debts	15,247	11,121
Paying Agent Fees and Bank Charges	33	-
Assessor's Pension Fund	6,979	6,484
Principal Retirement	90,000	-
Interest	37,830	-
Equipment Purchases	<u>-</u>	<u>3,694</u>
Total Expenditures	150,089	21,299
Excess of Revenues over Expenditures	49,643	164,134
Fund Balance at Beginning of Year	<u>167,569</u>	<u>3,435</u>
Fund Balance at End of Year	<u>\$ 217,212</u>	<u>\$ 167,569</u>

See auditor's report.

CAPITAL PROJECTS

Used to account for the financial resources used to acquire, construct, or renovate capital assets of the District.

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH
CAPITAL PROJECTS FUND**

COMPARATIVE BALANCE SHEETS

DECEMBER 31, 2000 AND 1999

ASSETS

	<u>2000</u>	<u>1999</u>
Cash and Cash Equivalents	\$ 417,610	\$ 590,056
Other Receivable	1,594	-
Due From Debt Service	<u>-</u>	<u>3,461</u>
Total Assets	<u>\$ 419,204</u>	<u>\$ 593,517</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts Payable	\$ -	\$ 19,430
Due to General Fund	5,665	-
Due to Debt Service Fund	<u>5,000</u>	<u>-</u>
Total Liabilities	10,665	19,430

Fund Balance:

Unreserved - Undesignated	<u>408,539</u>	<u>574,087</u>
Total Fund Balance	<u>408,539</u>	<u>574,087</u>
Total Liabilities and Fund Balance	<u>\$ 419,204</u>	<u>\$ 593,517</u>

See auditor's report.

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH
CAPITAL PROJECTS FUND**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
Revenues:		
Interest	\$ <u>16,532</u>	\$ <u>-</u>
	16,532	-
Expenditures:		
Bank Charges	31	78
Miscellaneous Expense	-	658
Capital Outlay	<u>181,465</u>	<u>495,579</u>
Total Expenditures	<u>181,496</u>	<u>496,315</u>
Excess (Deficiency) of Revenues over Expenditures	(164,964)	(496,315)
Other Financing Sources (Uses):		
Proceeds from Bonds	-	1,100,000
Bond Issuance Expense	<u>(584)</u>	<u>(29,598)</u>
Total Other Financing Sources (Uses)	<u>(584)</u>	<u>1,070,402</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(165,548)	574,087
Fund Balance at Beginning of Year	<u>574,087</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 408,539</u>	<u>\$ 574,087</u>

See auditor's report.

GENERAL FIXED ASSETS ACCOUNT GROUP

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

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS - BY SOURCES

DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
General Fixed Assets, at Cost:		
Land and Buildings	\$ 333,435	\$ 250,412
Equipment	1,455,816	1,354,302
Equipment Under Capital Lease Obligation	325,581	325,581
Furniture and Fixtures	<u>16,744</u>	<u>16,744</u>
Total General Fixed Assets	<u>\$ 2,131,576</u>	<u>\$ 1,947,039</u>
Investment in General Fixed Assets From:		
General Fund Revenues	\$ 969,989	\$ 966,917
Donations	16,158	16,158
General Obligation Bonds	<u>1,145,429</u>	<u>963,964</u>
Total Investment in General Fixed Assets	<u>\$ 2,131,576</u>	<u>\$ 1,947,039</u>

See auditor's report.

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	<u>Total</u>	<u>Land And Buildings</u>	<u>Equipment</u>	<u>Furniture And Fixtures</u>	<u>Equipment Under Capital Lease</u>
General Fixed Assets at January 1, 1999	\$ 1,426,418	\$ 250,412	\$ 833,681	\$ 16,744	\$ 325,581
Additions:					
General Fund					
Revenues	23,816	-	23,816	-	-
Donations	-	-	-	-	-
General Obligation Bonds	499,273	-	499,273	-	-
Deductions:					
Assets Disposed	<u>(2,468)</u>	<u>-</u>	<u>(2,468)</u>	<u>-</u>	<u>-</u>
General Fixed Assets at December 31, 1999	\$ 1,947,039	\$ 250,412	\$ 1,354,302	\$ 16,744	\$ 325,581
Additions:					
General Fund					
Revenues	3,072	-	3,072	-	-
Donations	-	-	-	-	-
General Obligation Bonds	181,465	83,023	98,442	-	-
Deductions:					
Assets Disposed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
General Fixed Assets at December 31, 2000	<u>\$ 2,131,576</u>	<u>\$ 333,435</u>	<u>\$ 1,455,816</u>	<u>\$ 16,744</u>	<u>\$ 325,581</u>

See auditor's report.

**GENERAL LONG-TERM DEBT
ACCOUNT GROUP**

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payments of maturing General Obligation Bonds, including interest, are accounted for in the Debt Service Fund. Payments of maturing Capital Lease Obligations, including interest, are accounted for in the General Fund.

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT

DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
Amount To Be Provided For The Retirement Of General Long-Term Debt:		
Amount Available in the Debt Service Fund for Debt Retirement	\$ 217,212	\$ 167,569
Amount to be Provided in Future Years from Ad Valorem Taxes	792,788	932,431
Amount to be Provided From General Fund Revenues	<u>225,365</u>	<u>246,857</u>
Total to be Provided	<u>\$ 1,235,365</u>	<u>\$ 1,346,857</u>
 General Long-Term Debt Payable:		
General Obligation Bond	\$ 1,010,000	\$ 1,100,000
Obligation Under Capital Lease	<u>225,365</u>	<u>246,857</u>
Total General Long-Term Debt	<u>\$ 1,235,365</u>	<u>\$ 1,346,857</u>

See auditor's report.

OTHER SUPPLEMENTARY INFORMATION

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
Gary Howard (Appointed 02/17/00)	\$ -	\$ -
James Lieux	-	-
Andy Nickens (Resigned 02/08/00)	-	-
Tommy Porrier	-	-
Bryan Taylor	-	-
Brian Whittington	-	-
	<u>-----</u>	<u>-----</u>
	\$ -	\$ -
	<u>-----</u>	<u>-----</u>

The term of each board member is two years.

**FIRE PROTECTION DISTRICT NO. 5 OF
LIVINGSTON PARISH**

SCHEDULE OF INSURANCE IN FORCE

DECEMBER 31, 2000

<u>Insurance Company</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
American Alternative Insurance Corp.	Business Package Policy		09/01/01
	Building #1	\$ 203,719	
	Building #2	\$ 42,331	
	Building #3	\$ 40,637	
	Contents - Building #1	\$ 50,000	
	Contents - Building #2	\$ 6,299	
	Contents - Building #3	\$ 2,500	
	Liability	\$ 2,000,000	
	Management Liability	\$ 2,000,000	
American Alternative Insurance Corp.	Umbrella Liability Policy	\$ 1,000,000	09/01/01
Louisiana Worker's Compensation Corp.	Workmen's Compensation	\$ 100,000/	
	Statutory	\$ 500,000	12/31/00
American Alternative Insurance Corp.	Business Auto Liability	\$ 1,000,000	09/01/01
	Uninsured Motorist	\$ 100,000	
Volunteer Fire Insurance Services Trust	Accident and Sickness	\$ 20,000	09/01/01

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



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Certified Public Accountants

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June 7, 2001

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

We have audited the component unit financial statements of the Fire Protection District No. 5 of Livingston Parish, Louisiana, as of and for the year ended December 31, 2000, and have issued our report thereon dated June 7, 2001. We conducted our 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.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal

Fire Protection District No. 5 of
Livingston Parish
Livingston Parish Council

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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the use of management and the Office of the Legislative Auditor, State of Louisiana, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Fire Protection District No. 5 of Livingston Parish, Louisiana, is a matter of public record.

Respectfully submitted,

Hannu T. Bourgeois, CPA