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**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13****FINANCIAL STATEMENTS  
(Reviewed)****Covington, Louisiana****YEAR ENDED DECEMBER 31, 2005**

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 8-2-06

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**December 31, 2005**

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**BERNARD & FRANKS**

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT ACCOUNTANT'S REPORT**

Board of Commissioners  
St. Tammany Parish Fire Protection District No. 13  
Covington, Louisiana

We have reviewed the accompanying basic financial statements, as listed in the table of contents, of the St. Tammany Parish Fire Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2005. These financial statements are the responsibility of the St. Tammany Parish Fire Protection District No. 13's management.

Our review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. A review consists principally of inquiries of St. Tammany Parish Fire Protection District No. 13 personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

*Bernard & Franks*

June 30, 2006

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUND BALANCE SHEET**

December 31, 2005

See Accountant's Review Report

	<u>GENERAL FUND</u>	<u>ADJUSTMENTS (EXHIBIT A)</u>	<u>STATEMENT OF NET ASSETS</u>
<b>ASSETS</b>			
Cash	\$ 57,684	\$ -	\$ 57,684
Due from other government units	454,353	-	454,353
Prepaid Insurance	18,361	-	18,361
Capital assets			
Non-depreciable	-	10,000	10,000
Depreciable, net of accumulated depreciation	-	684,813	684,813
<b>TOTAL ASSETS</b>	<u>\$ 530,398</u>	<u>\$ 694,813</u>	<u>\$ 1,225,211</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenditures	\$ 27,743	\$ -	\$ 27,743
Long-term liabilities:			
Due within one year	-	35,905	35,905
Due after one year	-	166,688	166,688
<b>TOTAL LIABILITIES</b>	<u>\$ 27,743</u>	<u>\$ 202,593</u>	<u>\$ 230,336</u>
<b>FUND BALANCE/NET ASSETS</b>			
Fund balance - unreserved	\$ 484,294	\$ (484,294)	\$ -
Fund balance - reserved - prepaids	18,361	(18,361)	-
	<u>\$ 502,655</u>	<u>\$ (502,655)</u>	<u>\$ -</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<u>\$ 530,398</u>		
<b>Net assets:</b>			
Invested in capital assets, net of related debt		\$ 492,220	\$ 492,220
Unrestricted		502,655	502,655
<b>Total net assets</b>		<u>\$ 994,875</u>	<u>\$ 994,875</u>

See notes to financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
(EXHIBIT A)**

**December 31, 2005**

**See Accountant's Review Report**

Fund Balance - Governmental Fund \$ 502,655

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 governmental fund.

Governmental capital assets	\$ 1,122,559	
Less accumulated depreciation	<u>(427,746)</u>	694,813

Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Long-term liabilities at year-end consist of:

Certificates of indebtedness	75,000	
Note Payable-Parish National	<u>127,593</u>	<u>202,593</u>

Net Assets of Governmental Activities \$ 994,875

See notes to financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**STATEMENT OF ACTIVITIES AND STATEMENT OF  
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE**

December 31, 2005

See Accountant's Review Report

	GENERAL FUND	ADJUSTMENTS (EXHIBIT B)	STATEMENT OF ACTIVITIES
<b>REVENUES:</b>			
Taxes	\$ 423,923	\$ -	\$ 423,923
<b>Intergovernmental:</b>			
FEMA Reimbursements	20,227	-	20,227
<b>State of Louisiana:</b>			
State revenue sharing	13,581	-	13,581
Fire insurance tax	6,591	-	6,591
<b>Miscellaneous:</b>			
Insurance reimbursement	14,395	-	14,395
Interest	3,179	-	3,179
Other	305	-	305
<b>Total revenues</b>	<b>\$ 482,201</b>	<b>\$ -</b>	<b>\$ 482,201</b>
<b>Expenditures/Expenses</b>			
<b>Current:</b>			
<b>Public safety:</b>			
Personal services	\$ 164,641	\$ -	\$ 164,641
Insurance	32,023	-	32,023
Communications	18,755	-	18,755
Telephone	7,716	-	7,716
Fuel	21,732	-	21,732
Training	2,348	-	2,348
Repairs and maintenance	33,570	-	33,570
Professional fees	11,000	-	11,000
Utilities	8,176	-	8,176
Administration	5,959	-	5,959
Depreciation	-	50,957	50,957
<b>Total Public Safety</b>	<b>\$ 305,920</b>	<b>\$ 50,957</b>	<b>\$ 356,877</b>
<b>Debt service:</b>			
Principal retirement	\$ 36,137	\$ (36,137)	\$ -
Interest and fiscal charges	12,515	-	12,515
<b>Total Debt Service</b>	<b>\$ 48,652</b>	<b>\$ (36,137)</b>	<b>\$ 12,515</b>
<b>Capital outlay</b>	<b>\$ 37,116</b>	<b>\$ (37,116)</b>	<b>\$ -</b>
<b>Total expenditures/expenses</b>	<b>\$ 391,688</b>	<b>\$ (22,296)</b>	<b>\$ 369,392</b>
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<b>\$ 90,513</b>	<b>\$ (90,513)</b>	<b>\$ -</b>
<b>Change in Net Assets</b>	<b>\$ -</b>	<b>\$ 112,809</b>	<b>\$ 112,809</b>
<b>FUND BALANCE/NET ASSETS</b>			
Beginning of year	\$ 412,142	\$ 469,924	\$ 882,066
End of year	<u>\$ 502,655</u>	<u>\$ 492,220</u>	<u>\$ 994,875</u>

See notes to financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL  
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES**

**(EXHIBIT B)**

**December 31, 2005**

**See Accountant's Review Report**

Net Change in Fund Balance - Governmental Fund		\$ 90,513
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 37,116	
Depreciation expense	<u>(50,957)</u>	
Deficiency of capital outlay over depreciation expense		(13,841)
Repayment of capital principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Principal payments		<u>36,137</u>
Change in Net Assets of Governmental Activities		<u><u>\$ 112,809</u></u>

See notes to financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**

**GENERAL FUND**

**December 31, 2005**

See Accountant's Review Report

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
Taxes	\$ 300,000	\$ 376,000	\$ 423,923	\$ 47,923
<b>Intergovernmental:</b>				
FEMA Reimbursements	-	20,200	20,227	27
FEMA Grant	-	54,000	-	(54,000)
<b>State of Louisiana:</b>				
State revenue sharing	10,000	10,000	13,581	3,581
Fire insurance tax	6,000	6,500	6,591	91
<b>Miscellaneous:</b>				
Insurance reimbursement	-	14,300	14,395	95
Interest	3,800	3,000	3,179	179
Other	-	300	305	5
<b>Total revenues</b>	<b>\$ 319,800</b>	<b>\$ 484,300</b>	<b>\$ 482,201</b>	<b>\$ (2,099)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>Public safety:</b>				
Personal services	\$ 132,000	\$ 170,000	\$ 164,641	\$ 5,359
Insurance	33,000	33,000	32,023	977
Communications	9,000	20,000	18,755	1,245
Telephone	9,000	9,000	7,716	1,284
Fuel	46,000	27,700	21,732	5,968
Training	2,000	3,500	2,348	1,152
Repairs and maintenance	2,000	32,600	33,570	(970)
Professional fees	12,000	12,000	11,000	1,000
Utilities	6,500	8,000	8,176	(176)
Administration	5,500	7,300	5,959	1,341
<b>Total Public Safety</b>	<b>\$ 257,000</b>	<b>\$ 323,100</b>	<b>\$ 305,920</b>	<b>\$ 17,180</b>
<b>Debt service:</b>				
Principal retirement	\$ 36,300	\$ 36,300	\$ 36,137	\$ 163
Interest and fiscal charges	9,500	12,200	12,515	(315)
<b>Total Debt Service</b>	<b>\$ 45,800</b>	<b>\$ 48,500</b>	<b>\$ 48,652</b>	<b>\$ (152)</b>
<b>Capital outlay</b>	<b>\$ 17,000</b>	<b>\$ 112,700</b>	<b>\$ 37,116</b>	<b>\$ 75,584</b>
<b>Total expenditures</b>	<b>\$ 319,800</b>	<b>\$ 484,300</b>	<b>\$ 391,688</b>	<b>\$ 92,612</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,513</b>	<b>\$ 90,513</b>
<b>FUND BALANCE</b>				
Beginning of year	\$ 412,142	\$ 412,142	\$ 412,142	\$ -
End of year	\$ 412,142	\$ 412,142	\$ 502,655	\$ 90,513

See notes to financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2005**

**See Accountant's Review Report**

**NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES**

The St. Tammany Parish Fire Protection District No. 13 (the District) was established in 1988 under Ordinance Police Jury Series No. 88-949. The Fire District was established for the purpose of providing fire protection to a designated geographical area in St. Tammany Parish. The Fire District maintains three fire stations.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of St. Tammany Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the Comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2005.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Basis of Presentation

The District's basic financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

**Government-wide Financial Statements:**

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the District. The governmental-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
See Accountant's Review Report**

**NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation**

**Fund Financial Statements:**

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. The daily accounts and operations of the District continue to be organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the Governmental Fund of the District:

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

**c) Management's Discussion and Analysis**

In June 1999, GASB unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. One of the more significant changes in Statement No. 34 include for the first time a Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all of the District's activities. The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

**d) Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**See Accountant's Review Report**

**NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)**

**Government-wide Financial Statements:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 in the year for which they are levied.

**Fund Financial Statements:**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are recognized as revenue in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of 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. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

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. Allocations of cost such as depreciation are not recognized in the governmental funds.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**See Accountant's Review Report**

**NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)**

e) Use of Estimates

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

f) Operating Budgetary Data

As required by the Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America and is included in the budget presentation in the basic financial statements.

g) Accounts Receivable

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the fund.

h) Cash

Cash included amounts in interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or banks having their principal offices in Louisiana.

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)

i) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Machinery and equipment	5-10 years
Vehicles	5-10 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
See Accountant's Review Report**

**NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)**

j) Long-Term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of certificates of indebtedness.

Fund Financial Statements:

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures.

k) Vacation, Sick Leave and Pension

The District does not provide any vacation or sick leave benefits to any of its employees. Accordingly, there is no accrual for compensated absences. The District does not have a retirement plan.

l) Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
See Accountant's Review Report**

**NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)**

- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2005 and for the year then ended, the District did not have or receive restricted net assets.

**Fund Financial Statements:**

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

**NOTE 2. DEPOSITS AND INVESTMENTS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana or any other federally insured investment.

**Bank Deposits:**

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
See Accountant's Review Report**

**NOTE 2. DEPOSITS AND INVESTMENTS (Continued)**

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agent but not in the District's name and deposits which are uninsured and uncollateralized.

The year end balances of deposits are as follows:

	Bank Balances Category			<u>Book Balance</u>
	1	2	3	
Cash	<u>\$57,684</u>	\$ ---	\$ ---	<u>\$57,684</u>
Totals	<u>\$57,684</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$57,684</u>

At December 31, 2005, the District held cash (book balance) of \$57,684 in interest bearing demand deposits. These deposits were secured from risk of FDIC insurance and pledges of security by the fiscal agent bank.

**NOTE 3. PROPERTY TAXES**

Property taxes are levied each November 1 on the assessed value listed as of prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amounts of the taxes. The tax rate for the year ended December 31, 2005 was \$30.92 per \$1,000 of assessed valuation on property within the District for the purpose of constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

See Accountant's Review Report

**NOTE 4. DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at December 31, 2005 consisted of the following:

St. Tammany Parish Tax Collector - December, 2005  
collections remitted to the District in 2005:

Ad valorem taxes	\$ 393,414
State revenue sharing	<u>8,534</u>
Total	<u>\$ 401,948</u>

**NOTE 5. CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2005 was as follows:

	Balance January 1, <u>2005</u>	Additions	Adjustments	Balance December 31, <u>2005</u>
Capital assets not being depreciated:				
Land	<u>\$ 10,000</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 10,000</u>
Capital assets being depreciated:				
Buildings	370,555	---	---	370,555
Machinery and equipment	274,727	37,117	---	311,844
Vehicles	<u>430,160</u>	<u>---</u>	<u>---</u>	<u>430,160</u>
Total capital assets being depreciated	<u>1,075,442</u>	<u>37,117</u>	<u>---</u>	<u>1,112,559</u>
Less accumulated depreciation for:				
Buildings	(61,256)	(7,414)	---	(68,670)
Machinery and equipment	(116,523)	(25,168)	---	(141,691)
Vehicles	<u>(199,010)</u>	<u>(18,375)</u>	<u>---</u>	<u>(217,385)</u>
Total accumulated depreciation	<u>(376,789)</u>	<u>(50,957)</u>	<u>---</u>	<u>(427,746)</u>
Total capital assets being depreciated, net	<u>698,653</u>	<u>(13,840)</u>	<u>---</u>	<u>684,813</u>
Total capital assets, net	<u>\$ 708,653</u>	<u>\$ (13,840)</u>	<u>\$ ---</u>	<u>\$ 694,813</u>

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
See Accountant's Review Report**

**NOTE 6. ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES**

Accounts payable and accrued expenditures at December 31, 2005 consisted of the following:

Vendors	\$ 48,566
Payroll deductions and withholding	3,195
Interest payable	<u>2,412</u>
	<u>\$ 54,173</u>

**NOTE 7. LONG-TERM DEBT**

In order to provide funds for acquiring, constructing, and improving fire protection facilities, the Fire District issued on November 16, 2000, Certificates of Indebtedness series 2000, in the amount of \$136,000. The certificates require interest payment at the rate of 5.7% per annum payable on March 1 and September 1 of each year.

The debt service for the certificates is as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 16,000	\$ 5,187
2006	17,000	4,275
2007	18,000	3,306
2008	19,000	2,280
2009	<u>21,000</u>	<u>1,197</u>
	<u>\$ 91,000</u>	<u>\$ 16,245</u>

For the certificate indebtedness, the total principal and interest component equal the required minimum payment for the year shown.

The Fire Protection District borrowed \$147,690 on August 27, 2005, from a bank secured by a fire truck with a carrying value of \$142,132. The note requires seven annual payments of \$24,891 beginning May 1, 2005 and with a final payment on May 1, 2011.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
See Accountant's Review Report**

**NOTE 7. LONG-TERM DEBT (Continued)**

The debt service for the secured note payable is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 20,190	\$ 4,701
2006	18,893	5,998
2007	19,782	5,109
2008	20,701	4,191
2009	21,686	3,206
2010	22,705	2,186
2011	<u>23,773</u>	<u>1,118</u>
	<u>\$147,730</u>	<u>\$26,509</u>

Changes in long-term debt for governmental activities are as follows:

	<u>Long-Term Debt</u>
Balance at January 1, 2005	\$ 107,000
Addition	147,690
Payments	<u>16,000</u>
Balance at December 31, 2005	<u>\$ 238,690</u>

**NOTE 8. RISK MANAGEMENT**

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters; for which the District carries commercial insurance. The premiums for group insurance are based on a fixed rate per employee. There was no litigation pending against the District as of December 31, 2005.

**NOTE 9. COMPENSATION OF BOARD MEMBERS**

The Board of Commissioners serves the District without compensation.

**SPECIAL REPORT OF CERTIFIED  
PUBLIC ACCOUNTANT**



**BERNARD & FRANKS**

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS F. CHETTA, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Board of Commissioners  
St. Tammany Parish Fire Protection District No. 13  
Covington, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the St. Tammany Parish Fire Protection District No. 13 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the St. Tammany Parish Fire Protection District No. 13 compliance with certain laws and regulations during the year ended December 31, 2005 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**PUBLIC BID LAW**

1. Select all expenditures made during the year for material and supplies exceeding \$15,000 or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS38:2211-2251 (the public bid law).

There were no expenditures made during the year for material and supplies exceeding \$15,000 or public works exceeding \$100,000.

## CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS42:1101-1124 (the code of ethics) and a list of outside business interest of all board members and employees, as well as their immediate families.

We obtained a list of family members and outside business interests for each board member.

3. Obtain from management a listing of all employees paid during the period under examination.

We obtained a listing of all employees paid for the year ended December 31, 2005 from management.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The employee listing contained names of immediate family members.

## BUDGETING

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with copies of the original and amended budget.

6. Trace the budget adoption and amendments to the minute book.

The budget adoption was traced to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenue and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.

There were no unfavorable budget variances which exceeded budgeted amounts by 5%.

## ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:
- (a) Trace payments to supporting documentation as to proper amount and payee.

*We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.*

- (b) Determine if payments were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated proper approval obtained.

## MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS42:1 through 42:12 (the open meetings law).

Agendas for meetings were posted as required by law.

## DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

## ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance or gifts.

We examined the payroll records and minutes for the year and determined that no payments were made to employees which constitute bonuses, advances or gifts.

## OTHER MATTERS

12. As noted in the response to question 4 the employee listing contained names of immediate family members. An opinion was requested from the Parish District Attorney regarding the compliance with LA R.S. 42.1119 (Nepotism). The District Attorney's opinion was that the District was in violation of the Nepotism statues.

## PRIOR COMMENTS AND RECOMMENDATIONS

13. Our prior year report, dated May 12, 2004, included the following comments:

The St. Tammany Fire Protection District borrowed \$147,690 paid directly to a fire vehicle vendor on August 27, 2004. The associated debt was not approved by the state of Louisiana Bond Commission as required by state law. The Fire Protection District's Corrective Action Plan for the prior year is included in the report package. No similar matters accused in 2005.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Bernard L. Frank*

June 30, 2006

REPORTS BY MANAGEMENT

LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)

MAY 16, 2006 (Date Transmitted)

BORWALD & FRANKS CPA'S  
4141 VETERANS AVE  
SUITE 313  
MCALLEN, LA 70002 (Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..  
Yes  No [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.  
Yes  No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.  
Yes  No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.  
Yes  No [ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.  
Yes  No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No [ ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No [ ]

### Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No [ ]

### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No [ ]

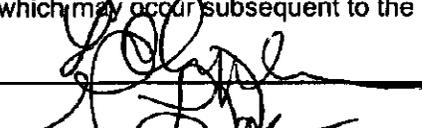
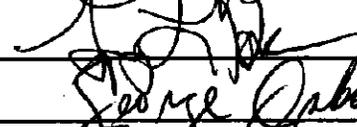
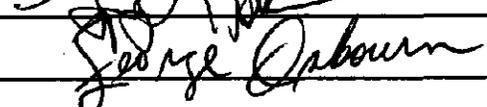
### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	5/17/06	Date
	Treasurer	5/17/06	Date
	President	5/17/06	Date

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13

CORRECTIVE ACTION PLAN

We requested a ruling from the Assistant District Attorney of St. Tammany Parish regarding the possible Nepotism violation by the District.

The opinion of the assistant District Attorney by letter dated September 21, 2005 was that the District had violated the Nepotism law. Pursuant to receiving the written notification, the employment that violated the Nepotism law was terminated immediately.

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13

PRIOR YEAR'S  
CORRECTIVE ACTION PLAN

During the year the Fire Protection District No. 13 borrowed \$147,690 for the purchase of a fire truck for the District. The fire truck was purchased under State of Louisiana contract. The indebtedness was approved by the Board of Commission. The subsequent payment of the debt was budgeted and properly approved. The Fire Protection District did not obtain approval for the borrowing of funds from the State Bond Commission. Approval for borrowing of funds is required by the State Bond Commission. The Board of Commissioners of the St. Tammany Parish Fire Protection District No. 13 submits the following corrective action plan:

1. The Board of Commissioners will seek approval of the State Bond Commission, prior to incurring indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration in the future.
2. The Board of Commissions has informed all of its members regarding the State of Louisiana requirements and resolves to follow State law regarding incurring debt.
3. The Board of Commission will seek professional advise in the future prior to incurring debt to insure compliance with State of Louisiana laws and regulation.