

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6**

**FINANCIAL STATEMENTS  
(Reviewed)**

**COVINGTON, LOUISIANA**

**YEAR ENDED DECEMBER 31, 2011**

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 **AUG 29 2012**

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

DECEMBER 31, 2011

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**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**

Board of Commissioners  
St Tammany Parish Fire Protection District No. 6  
Covington, Louisiana

We have reviewed the accompanying financial statements, as listed in the table of contents, of the St. Tammany Parish Fire Protection District No. 6, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2011. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of St. Tammany Parish Fire Protection District No. 6. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the St. Tammany Parish Fire Protection No.6 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 accounting principles generally accepted in the United States of America

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. 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*

April 27, 2012

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUND BALANCE SHEET

December 31, 2011

See Accountant's Review Report

	GENERAL FUND	ADJUSTMENTS (EXHIBIT A)	STATEMENT OF NET ASSETS
<b>ASSETS</b>			
Cash	\$ 546,083	\$ -	\$ 546,083
Due from Governmental Units:			
Ad valorem taxes	339,687	-	339,687
Revenue sharing	12,334	-	12,334
Due from others	753	-	753
Prepaid insurance	39,051	-	39,051
Capital Assets			
Non-depreciable	-	-	-
Depreciable, net of accumulated depreciation	-	878,092	878,092
<b>TOTAL ASSETS</b>	<b>\$ 937,908</b>	<b>\$ 878,092</b>	<b>\$ 1,816,000</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 34,764	\$ -	\$ 34,764
Payroll liabilities	3,204	-	3,204
<b>TOTAL LIABILITIES</b>	<b>\$ 37,968</b>	<b>\$ -</b>	<b>\$ 37,968</b>
<b>FUND BALANCE/NET ASSETS</b>			
Fund balance - unreserved	\$ 899,318	\$ (899,318)	\$ -
Fund balance - reserved	622	(622)	-
	<b>\$ 899,940</b>	<b>\$ (899,940)</b>	<b>\$ -</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 937,908</b>		
<b>Net assets:</b>			
Invested in capital assets, net of related debt		\$ 878,092	\$ 878,092
Unrestricted		899,940	899,940
<b>Total net assets</b>		<b>\$ 1,778,032</b>	<b>\$ 1,778,032</b>

See notes to financial statements

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

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

December 31, 2011

See Accountant's Review Report

Fund Balance - Governmental Fund		\$ 899,940
Amounts reported for governmental activities in the financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	\$ 1,555,550	
Less accumulated depreciation	<u>677,458</u>	<u>878,092</u>
Net Assets of Governmental Activities		<u>\$ 1,778,032</u>

See notes to the financial statements.

**ST TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO 6**

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

December 31, 2011

See Accountant's Review Report

	GENERAL FUND	ADJUSTMENTS (EXHIBIT B)	STATEMENT OF ACTIVITIES
<b>REVENUES</b>			
Taxes	\$ 318,765	\$ -	\$ 318,765
Intergovernmental			
State of Louisiana			
State revenue sharing	18,506	-	18,506
Fire insurance tax	19,303	-	19,303
Grants	7,000	-	7,000
Miscellaneous			
Interest	1,058	-	1,058
Signs	-	-	-
Other	1,246	-	1,246
<b>Total revenues</b>	<b>\$ 365,878</b>	<b>\$ -</b>	<b>\$ 365,878</b>
<b>Expenditures/Expenses</b>			
Current			
Public safety			
Professional fees	\$ 9,910	\$ -	\$ 9,910
Personnel	126,439	-	126,439
Insurance	40,606	-	40,606
Repairs and maintenance	25,918	-	25,918
Utilities	10,793	-	10,793
Truck expense	34,898	-	34,898
Training	1,264	-	1,264
Dispatch fees	16,025	-	16,025
Telephone	3,949	-	3,949
Supplies	19,052	-	19,052
Depreciation	-	72,090	72,090
Total public safety	\$ 288,854	\$ 72,090	\$ 360,944
Capital outlay	119,005	(119,005)	-
<b>Total expenditures/expenses</b>	<b>\$ 407,859</b>	<b>\$ (46,915)</b>	<b>\$ 360,944</b>
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<b>\$ (41,981)</b>	<b>\$ 41,981</b>	<b>\$ -</b>
Change in Net Assets	-	4,934	4,934
<b>FUND BALANCE/NET ASSETS</b>			
Beginning of year	941,921	831,177	1,773,098
End of year	<b>\$ 899,940</b>	<b>\$ 878,092</b>	<b>\$ 1,778,032</b>

See notes to the financial statements

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO 6

RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL  
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES  
(EXHIBIT B)

December 31, 2011

See Accountant's Review Report

Net Change in Fund Balance - Governmental Fund \$ (41,981)

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 are allocated over their estimated useful lives and reported as depreciation expense

Capital outlay and debt reduction	\$ 119,005	
Depreciation expense	<u>72,090</u>	
Excess of capital outlay and debt reduction over depreciation expense		<u>46,915</u>
Change in Net Assets of Governmental Activities		<u>\$ 4,934</u>

See notes to the financial statements

**ST TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO 6**

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

December 31, 2011

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>		<u>(UNFAVORABLE)</u>
<b>REVENUES</b>				
Taxes	\$ 380,000	\$ 380,000	\$ 318,765	\$ (61,235)
<b>Intergovernmental</b>				
State of Louisiana.				
State revenue sharing	12,500	18,000	18,506	506
Fire insurance tax	16,000	16,000	19,303	3,303
Grant	-	7,000	7,000	-
<b>Miscellaneous</b>				
Interest	3,000	1,000	1,058	58
Signs	-	-	-	-
Other	-	-	1,246	1,246
<b>Total revenues</b>	<u>\$ 411,500</u>	<u>\$ 422,000</u>	<u>\$ 365,878</u>	<u>\$ (56,122)</u>
<b>EXPENDITURES/EXPENSES</b>				
<b>Current</b>				
<b>Public safety</b>				
Professional fees	\$ 14,000	\$ 10,000	\$ 9,910	\$ 90
Personnel	180,000	125,000	126,439	(1,439)
Insurance	40,000	40,000	40,606	(606)
Repairs and maintenance	15,000	40,000	25,918	14,082
Utilities	8,000	11,000	10,793	207
Truck expense	35,000	33,000	34,898	(1,898)
Training	6,000	2,000	1,264	736
Dispatch fees	17,000	17,000	16,025	975
Telephone	3,000	4,000	3,949	51
Supplies	15,000	17,000	19,052	(2,052)
<b>Total public safety</b>	<u>\$ 333,000</u>	<u>\$ 299,000</u>	<u>\$ 288,854</u>	<u>\$ 10,146</u>
Capital outlay and debt reduction	78,500	123,000	119,005	3,995
<b>Total expenditures/expenses</b>	<u>\$ 411,500</u>	<u>\$ 422,000</u>	<u>\$ 407,859</u>	<u>\$ 14,141</u>
<b>EXCESS OF EXPENDITURES/EXPENSES OVER REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,981)</u>	<u>\$ (41,981)</u>
<b>FUND BALANCE/NET ASSETS</b>				
Beginning of year	513,222	513,222	941,921	
End of year	<u>\$ 513,222</u>	<u>\$ 513,222</u>	<u>\$ 899,940</u>	

See notes to the financial statements

ST TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO 6

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011

See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES

The St Tammany Parish Fire Protection District No. 6 (the District) was created on September 17, 1970 by the St Tammany Parish Police Jury, as provided by Louisiana Revised Statute 40:1492. The District was created to acquire, maintain, and operate buildings, machinery, equipment, water tanks, water hydrants and water lines, and other such things necessary to provide proper fire prevention and control within the District's limits. The administration of the District is governed by a board of commissioners consisting of 5 members who are resident property taxpayers of the district. These members are appointed by the St Tammany Parish Police Jury and serve 2 years without remuneration. The District operates three fire stations and provides fire protection services in an area covering approximately 55 square miles.

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, 2011.

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 nonexchange revenues.

ST TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO 6

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011  
See Accountant's Review Report

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

c) 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

Management's Discussion and Analysis:

Governmental Accounting Standards Board Statement No. 34 include 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 6

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011  
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. 6

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011  
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 6

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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
Furniture and equipment	5-10 years
Vehicles	15 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

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

ST TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011  
See Accountant's Review Report

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

j) Long-Term Debt (continued)

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 general obligation bonds.

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

All members of the District's firefighting force serve as volunteers. Therefore, the District does not have a vacation, sick leave or pension plan.

l) Fund Equity

Government-wide Financial 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. 6**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011  
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, 2011 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.

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

ST TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO 6

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

See Accountant's Review Report

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

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>\$ 250,000</u>	<u>\$ 296,083</u>	<u>\$ ---</u>	<u>\$ 546,083</u>
Totals	<u>\$ 250,000</u>	<u>\$ 296,083</u>	<u>\$ ---</u>	<u>\$ 546,083</u>

At December 31, 2011, the District held cash (bank balance) of \$546,083 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<sup>st</sup> on the assessed value listed as of prior January 1<sup>st</sup> 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, 2011 was \$20.12 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. 6

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

See Accountant's Review Report

NOTE 4. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows

	Balance January 1, 2010	Additions	Balance December 31, 2011
Capital assets not being depreciated.			
Land	\$ 52,277	\$ -	\$ 52,277
Capital assets being depreciated.			
Buildings	\$ 335,788	\$ -	\$ 335,788
Leasehold improvements	44,046	12,045	56,091
Furniture and equipment	448,506	22,311	470,817
Vehicles	555,928	84,649	640,577
Total capital assets being depreciated	\$ 1,384,268	\$ 119,005	\$ 1,503,273
Less accumulated depreciation for:			
Buildings	\$ (81,831)	\$ (8,082)	\$ (89,913)
Leasehold improvements	(501)	(1,226)	(1,727)
Furniture and equipment	(240,344)	(33,473)	(273,817)
Vehicles	(282,692)	(29,309)	(312,001)
Total accumulated depreciation	\$ (605,368)	\$ (72,090)	\$ (677,458)
Total capital assets being depreciated, net	778,900	46,915	825,815
Total capital assets, net	\$ 831,177	\$ 46,915	\$ 878,092

NOTE 5. ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures at December 31, 2011 consisted of the following:

Vendors \$ 34,764

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO 6

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

See Accountant's Review Report

NOTE 6. 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, 2011

NOTE 7. 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.

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

Board of Commissioners  
St. Tammany Parish Fire Protection District No 6  
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. 6 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 6 compliance with certain laws and regulations during the year ended December 31, 2011 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 \$20,000 or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS38:2211-2251 (the public bid law).

The Fire District bought a tanker and chassis for \$71,750 during the year ended December 31, 2011. The need for the tanker was considered an emergency by the Board. The Fire District complied with all the emergency requirements stated in LSA-RS38:2211-2251. These procedures included certifying the emergency and giving notice to the public by publishing it in the official journal within 10 days of declaring the emergency.

**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.

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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. The District purchased approximately \$743 in supplies from a hardware store owned by a family member of one of the board members.

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

We obtained a list of all employees paid during the period of examination

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

None of the employees contained on the listing obtained from management were included on the listing 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

Tax revenue did not meet the budgeted amount by 16% with an unfavorable variance of \$61,235

Truck expenditures exceeded budgeted amounts by 6% with an unfavorable variance of \$1,898. Supplies expenditures exceeded budgeted amounts by 12% with an unfavorable variance of \$2,052. Capital outlay and debt reduction exceeded budgeted amounts by 12% with an unfavorable variance of \$2,052.

#### 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 was 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 who may constitute bonuses, advance or gifts

We examined the payroll records and minutes for the year to determine whether any payments have been made to employees who may constitute bonuses, advance or gifts. There were no payments to employees who may constitute bonuses, advance or gifts

*Bernard & Frankes*

April 27, 2012

## **REPORTS BY MANAGEMENT**

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

4/27/12 (Date Transmitted)

Bernard & Franks, A Corporation of CPAs  
4141 Veterans Blvd Suite 313  
Metairie 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

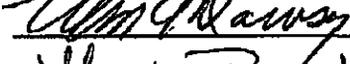
It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14-138, and AG opinion 79-729

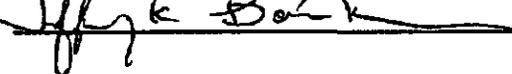
Yes [] No [  ]

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 \_\_\_\_\_ Date \_\_\_\_\_

  
\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date \_\_\_\_\_

  
\_\_\_\_\_  
President \_\_\_\_\_ Date \_\_\_\_\_

**ST TAMMANY PARISH FIRE PROTECTION DISTRICT NO 6  
MANAGEMENT'S CORRECTIVE ACTION PLAN**

**DECEMBER 31, 2011**

**FINDING**

**2011-01: UNFAVORABLE BUDGET VARIANCES**

Tax revenues were under budget by \$61,235 for the year ended December 31, 2011. This represented sixteen percent (16%) unfavorable budget variance.

Truck expenditures were \$1,898 over budget for the year ended December 31, 2011. This represented a six percent (6%) unfavorable budget variance

Utilities expenditures were \$2,052 over budget for the year ended December 31, 2011. This represented a twelve percent (12%) unfavorable budget variance.

**RECOMMENDATION**

The District should refine its budgeting process to better project the revenue and expense accounts

**MANAGEMENT'S CORRECTIVE ACTION PLAN**

The Board of Directors will regularly review the comparison to budget to actual revenues and will recommend budget amendments when appropriate.

Management plans to account for possible unexpected expenses within the budget.

**FINDING**

**2011-02: CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

The District purchased approximately \$743 in supplies from a hardware store owned by a family member of one of the board members

**RECOMMENDATION**

The Fire District should ensure that all vendors are appropriate by following the code of ethics for public officials and public employees.

**MANAGEMENT'S CORRECTIVE ACTION PLAN**

It was brought to the attention of the District that purchases from related establishments are not allowed under state law. The District has ceased all purchases with the hardware store and will not make purchases from the entity in the future.

ST TAMMANY PARISH FIRE PROTECTION DISTRICT NO 6  
MANAGEMENT'S PRIOR YEAR CORRECTIVE ACTION PLAN

DECEMBER 31, 2011

FINDING

2010-01: UNFAVORABLE BUDGET VARIANCES

Fire insurance tax revenues were under budget by \$1,803 for the year ended December 31, 2010. This represented an eleven percent (11%) unfavorable budget variance.

Insurance expenditures were \$2,409 over budget for the year ended December 31, 2010. This represented an eight percent (8%) unfavorable budget variance.

Utilities expenditures were \$1,167 over budget for the year ended December 31, 2010. This represented a nineteen percent (19%) unfavorable budget variance.

Telephone expenditures were \$259 over budget for the year ended December 31, 2010. This represented a nine percent (9%) unfavorable budget variance.

Capital outlay and debt reduction were \$7,572 over budget for the year ended December 31, 2010. This represented a fifteen percent (15%) unfavorable budget variance.

RECOMMENDATION

The District should refine its budgeting process to better project the revenue and expense accounts.

MANAGEMENT'S CORRECTIVE ACTION PLAN

The Board of Directors will regularly review the comparison to budget to actual revenues and will recommend budget amendments when appropriate.

Management plans to account for possible unexpected expenses within the budget.