

9475

RECEIVED  
2007 JUL -2 AM 10: 50

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

**FINANCIAL STATEMENTS**

**Covington, Louisiana**

**YEAR ENDED DECEMBER 31, 2006**

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 9/19/07

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13

December 31, 2006

TABLE OF CONTENTS

	<u>Page #</u>
INDEPENDENT AUDITOR'S REPORT .....	1
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets and Governmental Fund Balance Sheet .....	2
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets (Exhibit A) .....	3
Statement of Activities and Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance .....	4
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities (Exhibit B) .....	5
Statement of Governmental Fund Revenues, Expenditures and Changes In Fund Balance – Budget and Actual – General Fund.....	6
Notes to Financial Statements .....	7 - 17



**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 AUDITOR'S REPORT**

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

We have audited 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, 2006. These financial statements are the responsibility of the St. Tammany Parish Fire Protection District No. 13'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 financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the St. Tammany Parish Fire Protection District No. 13, as of December 31, 2006, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The District has not presented management's discussion and analysis that are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America.

June 27, 2007

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

**STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUND BALANCE SHEET  
December 31, 2006**

	GENERAL FUND	ADJUSTMENTS (EXHIBIT A)	STATEMENT OF NET ASSETS
<b>ASSETS</b>			
Cash	\$ 80,828	\$ -	\$ 80,828
Due from other government units	571,734	-	571,734
Prepaid Insurance	21,388	-	21,388
Capital assets			
Non-depreciable	-	10,000	10,000
Depreciable, net of accumulated depreciation	-	811,766	811,766
	<b>\$ 673,950</b>	<b>\$ 821,766</b>	<b>\$ 1,495,716</b>
 <b>LIABILITIES</b>			
Accounts payable and accrued expenditures	\$ 96,068	\$ -	\$ 96,068
Long-term liabilities:			
Due within one year	-	37,792	37,792
Due after one year	-	128,897	128,897
	<b>\$ 96,068</b>	<b>\$ 166,689</b>	<b>\$ 262,757</b>
 <b>FUND BALANCE/NET ASSETS</b>			
Fund balance - unreserved	\$ 556,494	\$ (556,494)	\$ -
Fund balance - reserved - prepaids	21,388	(21,388)	-
	<b>\$ 577,882</b>	<b>\$ (577,882)</b>	<b>\$ -</b>
 <b>TOTAL LIABILITIES &amp; FUND BALANCE</b>			
	<b>\$ 673,950</b>		
 <b>Net assets:</b>			
Invested in capital assets, net of related debt		\$ 655,077	\$ 655,077
Unrestricted		577,882	577,882
		<b>\$ 1,232,959</b>	<b>\$ 1,232,959</b>

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, 2006**

Fund Balance - Governmental Fund		\$ 577,882
 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	\$ 1,295,679	
Less accumulated depreciation	<u>(473,913)</u>	821,766
 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	(58,000)	
Note Payable-Parish National	<u>(108,689)</u>	<u>(166,689)</u>
 Net Assets of Governmental Activities		 <u><u>\$ 1,232,959</u></u>

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, 2006**

	<u>GENERAL FUND</u>	<u>ADJUSTMENTS (EXHIBIT B)</u>	<u>STATEMENT OF ACTIVITIES</u>
<b>REVENUES:</b>			
Taxes	\$ 556,898	\$ -	\$ 556,898
FEMA Grant	54,150	-	54,150
<b>Intergovernmental:</b>			
State of Louisiana:			
State revenue sharing	19,256	-	19,256
Fire insurance tax	7,845	-	7,845
<b>Miscellaneous:</b>			
Insurance reimbursement	9,501	-	9,501
Interest	4,487	-	4,487
Loss on sale of property	(3,175)	-	(3,175)
Other	2,870	-	2,870
<b>Total revenues</b>	<b>\$ 651,832</b>	<b>\$ -</b>	<b>\$ 651,832</b>
 <b>Expenditures/Expenses</b>			
<b>Current:</b>			
<b>Public safety:</b>			
Personal services	\$ 179,648	\$ -	\$ 179,648
Insurance	41,969	-	41,969
Communications	15,846	-	15,846
Telephone	8,698	-	8,698
Operating supplies	34,742	-	34,742
Training	3,278	-	3,278
Repairs and maintenance	36,290	-	36,290
Professional fees	15,980	-	15,980
Utilities	9,464	-	9,464
Administration	7,306	-	7,306
Depreciation	-	51,496	51,496
<b>Total Public Safety</b>	<b>\$ 353,221</b>	<b>\$ 51,496</b>	<b>\$ 404,717</b>
 <b>Debt service:</b>			
Principal retirement	\$ 35,905	\$ (35,905)	\$ -
Interest and fiscal charges	9,031	-	9,031
<b>Total Debt Service</b>	<b>\$ 44,936</b>	<b>\$ (35,905)</b>	<b>\$ 9,031</b>
 <b>Capital outlay</b>	 <b>\$ 182,870</b>	 <b>\$ (182,870)</b>	 <b>\$ -</b>
<b>Total expenditures/expenses</b>	<b>\$ 581,027</b>	<b>\$ (167,279)</b>	<b>\$ 413,748</b>
 <b>EXCESS OF EXPENDITURES OVER REVENUES</b>	 <b>\$ 70,805</b>	 <b>\$ (70,805)</b>	 <b>\$ -</b>
 <b>Change in Net Assets</b>	 <b>\$ -</b>	 <b>\$ 238,084</b>	 <b>\$ 238,084</b>
 <b>FUND BALANCE/NET ASSETS</b>			
Beginning of year	\$ 502,655	\$ 492,220	\$ 994,875
End of year	\$ 573,460	\$ 659,499	\$ 1,232,959

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, 2006**

Net Change in Fund Balance - Governmental Fund	\$ 70,805
 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	\$ 182,870
Depreciation expense	<u>(51,496)</u>
Deficiency of capital outlay over depreciation expense	131,374
 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>35,905</u>
Change in Net Assets of Governmental Activities	<u>\$ 238,084</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, 2006**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
<b>REVENUES:</b>				
Taxes	\$ 376,000	\$ 477,500	\$ 556,898	\$ 79,398
Intergovernmental:				
FEMA Grant	-	54,150	54,150	-
State of Louisiana:				
State revenue sharing	10,000	13,000	19,256	6,256
Fire insurance tax	6,500	7,800	7,845	45
Miscellaneous:				
Insurance reimbursement	-	5,550	9,501	3,951
Interest	3,000	4,000	4,487	487
Loan on sale of asset	-	-	(3,175)	(3,175)
Other	300	7,800	2,870	(4,930)
<b>Total revenues</b>	<b>\$ 395,800</b>	<b>\$ 569,800</b>	<b>\$ 651,832</b>	<b>\$ 82,032</b>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Personal services	\$ 160,000	\$ 172,000	\$ 179,648	\$ (7,648)
Insurance	38,000	41,300	41,969	(669)
Communications	15,000	15,300	15,846	(546)
Telephone	9,000	9,000	8,698	302
Operating supplies	32,000	33,700	34,742	(1,042)
Training	3,500	3,200	3,278	(78)
Repairs and maintenance	21,000	34,600	36,290	(1,690)
Professional fees	14,000	15,500	15,980	(480)
Utilities	8,000	9,200	9,464	(264)
Administration	7,300	7,000	7,306	(306)
<b>Total Public Safety</b>	<b>\$ 307,800</b>	<b>\$ 340,800</b>	<b>\$ 353,221</b>	<b>\$ (12,421)</b>
Debt service:				
Principal retirement	\$ 37,000	\$ 37,000	\$ 35,905	\$ 1,095
Interest and fiscal charges	9,000	9,000	9,031	(31)
<b>Total Debt Service</b>	<b>\$ 46,000</b>	<b>\$ 46,000</b>	<b>\$ 44,936</b>	<b>\$ 1,064</b>
Capital outlay	\$ 42,000	\$ 183,000	\$ 182,870	\$ 130
<b>Total expenditures</b>	<b>\$ 395,800</b>	<b>\$ 569,800</b>	<b>\$ 581,027</b>	<b>\$ (11,227)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,805</b>	<b>\$ 70,805</b>
<b>FUND BALANCE</b>				
Beginning of year	\$ 502,655	\$ 502,655	\$ 502,655	\$ -
End of year	\$ 502,655	\$ 502,655	\$ 573,460	\$ 70,805

See notes to financial statements.

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006

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, 2006.

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. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006

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

c) Basis of Presentation (Continued)

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 continues 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.

d) 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.

e) 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, 2006

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

e) Measurement Focus and Basis of Accounting(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, 2006

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

f) 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.

g) 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.

h) 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.

i) 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, 2006

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

j) 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 are 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, 2006

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

k) 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 are 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.

l) 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.

1) 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, 2006

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, 2006 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. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006

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			Book Balance
	1	2	3	
Cash	<u>\$80,828</u>	\$ ---	\$ ---	<u>\$80,828</u>
Totals	<u>\$80,828</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$80,828</u>

At December 31, 2006, the District held cash (bank balance) of \$85,973 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, 2006 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, 2006

NOTE 4. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2006 consisted of the following:

St. Tammany Parish Tax Collector – December, 2006  
collections remitted to the District in 2006:

Ad valorem taxes	\$ 556,898
State revenue sharing	<u>19,256</u>
Total	<u>\$ 576,154</u>

NOTE 5. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006 was as follows:

	Balance January 1, <u>2006</u>	<u>Additions</u>	<u>Adjustments</u>	Balance December 31, <u>2006</u>
Capital assets not being depreciated:				
Land	\$ 10,000	\$ ---	\$ ---	\$ 10,000
Capital assets being depreciated:				
Buildings	370,555	---	---	370,555
Machinery and equipment	311,844	94,962	---	406,806
Vehicles	<u>430,160</u>	<u>90,408</u>	<u>(12,250)</u>	<u>508,318</u>
Total capital assets being depreciated	<u>1,112,559</u>	<u>185,370</u>	<u>(12,250)</u>	<u>1,285,679</u>
Less accumulated depreciation for:				
Buildings	(68,670)	(7,414)	---	(76,084)
Machinery and equipment	(141,691)	(24,816)	---	(166,507)
Vehicles	<u>(217,385)</u>	<u>(19,266)</u>	<u>5,329</u>	<u>(231,322)</u>
Total accumulated depreciation	<u>(427,746)</u>	<u>(51,496)</u>	<u>5,329</u>	<u>(473,913)</u>
Total capital assets being depreciated, net	<u>684,813</u>	<u>133,874</u>	<u>(6,921)</u>	<u>811,766</u>
Total capital assets, net	<u>\$ 694,813</u>	<u>\$ 133,874</u>	<u>\$ (6,921)</u>	<u>\$ 821,766</u>

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures at December 31, 2006 consisted of the following:

Vendors	\$ 81,053
Accrued payroll	5,408
Payroll deductions and withholding	5,079
Interest payable	4,528
	\$ 96,068

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:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2006	\$ 18,000	\$ 3,306
2008	19,000	2,280
2009	21,000	1,197
	\$ 58,000	\$ 6,783

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

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 7. LONG-TERM DEBT(Continued)

The Fire Protection District borrowed \$147,690 on August 27, 2005, from a bank secured by a fire truck with a carrying value of \$115,572. The note requires annual payments of \$24,891 beginning May 1, 2005 and with a final payment on May 1, 2011.

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

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 19,792	\$ 5,099
2008	20,720	4,171
2009	21,692	3,199
2010	22,710	2,181
2011	<u>23,775</u>	<u>1,116</u>
	<u>\$108,689</u>	<u>\$15,766</u>

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

	<u>Certificates</u> <u>of Indebtedness</u>
Balance at January 1, 2006	\$ 202,593
Addition	---
Payments	<u>35,904</u>
Balance at December 31, 2006	<u>\$ 166,689</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 serve the District without compensation.

**REPORTS BY AUDITOR**



**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.

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

To the Board of Commissioners  
St. Tammany Parish Fire Protection District No. 13

We have audited the financial statements of the governmental activities of 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, 2006, and have issued our report thereon dated May 10, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered St. Tammany Parish Fire Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Tammany Parish Fire Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the St. Tammany Parish Fire Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the St. Tammany Parish Fire Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the St. Tammany Parish Fire Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana's financial statements that is more than inconsequential will not be prevented or detected by the St. Tammany Parish Fire

Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the St. Tammany Parish Fire Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Tammany Parish Fire Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

No management letter was issued to St. Tammany Parish Fire Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana, for the year ended December 31, 2006.

This report is intended solely for the information and use of management, the audit committee, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Metairie, Louisiana  
June 27, 2007

ST. TAMMANY FIRE PROTECTION DISTRICT NO. 13

SUMMARY OF AUDITOR'S RESULTS AND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

DECEMBER 31, 2006

**Part I — Summary of Auditor's Results**

Financial Statement Section

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weakness(es) identified? No

Reportable condition(s) identified not considered  
to be material weakness? No

Noncompliance material to financial statement noted? No

Management letter issued? No

Federal Awards Section

St. Tammany Parish Fire Protection District. received FEMA Grant in the  
amount of \$54,150.

**Part II — Schedule of Financial Statement Findings**

There were no findings for the year ended December 31, 2006.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13  
SCHEDULE OF PRIOR YEAR'S FINDINGS**

**DECEMBER 31, 2006**

**PRIOR YEAR'S FINDINGS**

There were no prior year's findings applicable to the St. Tammany Parish Fire Protection District No. 13.

**REPORTS BY MANAGEMENT**

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13  
MANAGEMENT'S CORRECTIVE ACTION PLAN

DECEMBER 31, 2006

FINDINGS

There were no findings for the year ended June 30, 2006.