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GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

FIRE PROTECTION DISTRICT NO. 12
ST. TAMMANY PARISH, LOUISIANA

DECEMBER 31, 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 9-4-96

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(A LIMITED LIABILITY COMPANY)

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Fire Protection District No. 12
St. Tammany Parish, Louisiana

We have audited the accompanying general purpose and account group financial statements of Fire Protection District No. 12, a component unit of St. Tammany Parish Police Jury, as of December 31, 1995 and for the two years then ended as listed in the table of contents. These financial statements are the responsibility of the Districts' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of Fire Protection District No. 12 as of December 31, 1995 and for the two years then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the account group financial statements referred to above present fairly, in all material respects, the financial position of each of the account groups of the Fire Protection District No. 12 as of December 31, 1995 and for the two years then ended, in conformity with generally accepted accounting principles.

The Board of Commissioners
Fire Protection District No. 12
St. Tammany Parish, Louisiana

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the account group financial statements. The accompanying financial information listed as a supporting schedule in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Fire Protection District No. 12, St. Tammany Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

In accordance with Government Auditing Standards we have also issued reports dated February 22, 1996 on our consideration of Fire Protection District No. 12's internal control structure and its compliance with laws and regulations.

Smith, Heval & Associates, L.L.C.

February 22, 1996

Fire Protection District No. 12
St. Tammany Parish, Louisiana

COMBINED BALANCE SHEET-
ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1995

ASSETS	Governmental	<u>Account Groups</u>		Total (Memorandum Only)
	<u>Fund Type</u>	General	General	
	<u>General</u>	Fixed	Long-Term	
	<u>Fund</u>	<u>Assets</u>	<u>Debt</u>	<u>Only</u>
Cash	\$ 15,553	\$	\$	\$ 15,553
Depreciation and contingency reserve fund	25,000			25,000
Certificates of deposit	215,602			215,602
Ad valorem taxes receivable (net of allowance for uncollectible taxes of \$29,329)	581,686			581,686
Accrued interest receivable	12,946			12,946
Buildings		345,473		345,473
Motor vehicles		326,496		326,496
Equipment		220,750		220,750
Computer equipment		12,190		12,190
Furniture and fixtures		7,395		7,395
Land		166,990		166,990
Deposits	1,100			1,100
Amount to be provided for compensated absences			<u>23,674</u>	<u>23,674</u>
	<u>\$ 851,887</u>	<u>\$1,079,294</u>	<u>\$ 23,674</u>	<u>\$1,954,855</u>

The accompanying notes are an integral part of this statement.

Fire Protection District No. 12
St. Tammany Parish, Louisiana

COMBINED BALANCE SHEET-
ALL FUND TYPES AND ACCOUNT GROUPS - Continued

December 31, 1995

	<u>Governmental</u> <u>Fund Type</u>	<u>Account Groups</u>		<u>Total</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u> <u>Fund</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-Term</u> <u>Debt</u>	
LIABILITIES AND FUND EQUITY				
Liabilities				
Retirement payable	\$ 5,563	\$	\$	\$ 5,563
Accounts payable	3,907			3,907
Accrued expenses	5,553			5,553
Accrued pension cost related to ad valorem taxes	18,667			18,667
Estimated liabilities for compensated absences	<u> </u>	<u> </u>	<u>23,674</u>	<u>23,674</u>
Total liabilities	<u>33,690</u>	<u>-</u>	<u>23,674</u>	<u>57,364</u>
Fund Equity				
Investment in general fixed assets:				
Donated		130,000		130,000
General fund		949,294		949,294
Fund balance:				
Reserve for depreciation and contingency fund	25,000			25,000
Unreserved	<u>793,197</u>	<u> </u>	<u> </u>	<u>793,197</u>
Total fund equity	<u>818,197</u>	<u>1,079,294</u>	<u>-</u>	<u>1,897,491</u>
	<u>\$ 851,887</u>	<u>\$1,079,294</u>	<u>\$ 23,674</u>	<u>\$1,954,855</u>

The accompanying notes are an integral part of this statement.

Fire Protection District No. 12
St. Tammany Parish, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS)
AND ACTUAL - GENERAL FUND**

For the Years Ended December 31, 1995 and 1994

	1995			1994			Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
Revenues							
Ad valorem taxes	\$ 505,000	\$ 571,028	\$ 66,028	\$ 521,000	\$ 554,306	\$ 33,306	
Intergovernmental State Revenue Sharing	19,500	32,949	13,449	20,000	29,749	9,749	
Interest revenue	20,000	36,116	16,116	9,000	22,902	13,902	
2% fire insurance tax	16,000	19,171	3,171	0	16,101	16,101	
Other revenue	0	7,864	7,864	9,000	1,302	(7,698)	
Total revenues	560,500	667,128	106,628	559,000	624,360	65,360	
Expenditures							
Salaries	327,000	364,633	(37,633)	320,000	263,831	56,169	
Insurance - other	24,300	28,741	(4,441)	60,000	46,098	13,902	
Insurance - employees	38,500	27,052	11,448	40,000	30,893	9,107	
Employee pension expense	26,000	33,062	(7,062)	27,000	24,329	2,671	
Utilities and telephone	16,500	15,882	618	16,000	13,603	2,397	
State pension deduction	0	18,667	(18,667)	0	16,382	(16,382)	
Maintenance and repairs	16,500	27,089	(10,589)	17,500	11,561	5,939	
Operating supplies	3,400	5,723	(2,323)	10,000	9,497	503	
Training	8,000	2,793	5,207	10,000	4,357	5,643	
Payroll taxes	4,300	5,522	(1,222)	5,000	4,612	388	
Professional services	8,000	40,527	(32,527)	12,000	11,315	685	
Office supplies	2,000	3,069	(1,069)	3,000	1,829	1,171	
Uniforms	3,400	5,565	(2,165)	3,000	1,719	1,281	
Board meeting	1,600	2,640	(1,040)	1,350	1,830	(480)	
Advertising	0	2,222	(2,222)	0	131	(131)	
Civil Service expense	2,500	1,500	1,000	1,800	145	1,655	
Postage	1,000	384	616	300	165	135	
Travel	3,000	0	3,000	0	375	(375)	
Public fire education	500	0	500	0	0	0	
Fuel	6,500	9,514	(3,014)	0	0	0	
Fire prevention expenses	0	1,128	(1,128)	0	0	0	

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS)
AND ACTUAL - GENERAL FUND

For the Years Ended December 31, 1995 and 1994

	1995		1994		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Insurance - Workers Comp.	57,000	44,588	60,000	46,098	13,902
Volunteers	2,500	0	0	0	0
Settlement Cost - Former Employee	0	17,010	0	0	0
Capital Outlays	168,000	118,545	0	5,757	(5,757)
Total expenditures	720,500	775,856	526,950	448,429	92,423
Excess revenues over expenditures	\$ (160,000)	\$ (108,728)	\$ 32,050	\$ 175,931	\$ 157,783
Fund balance, beginning of year		926,925		805,994	
Prior Period Adjustment, See Note I				(55,000)	
Fund balance, end of year		\$ 818,197		\$ 926,925	

The accompanying notes are an integral part of this statement.

Fire Protection District No. 12
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the St. Tammany Parish Fire District No. 12 conform to generally accepted accounting principles applicable to governmental entities. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units. The following is a summary of certain significant policies.

1. History

Fire Protection District No. 12, St. Tammany Parish, Louisiana was created by the St. Tammany Parish Police Jury ordinance No. 706 in April, 1977. The District serves the area of Ward 3 of St. Tammany Parish, Louisiana, but excluding the corporate limits of the City of Covington. The District is operated as a component unit of the St. Tammany Parish Police Jury.

2. Reporting Entity

The reporting entity for St. Tammany Parish consist of the St. Tammany Parish Police Jury, which as governing authority of the parish is the component unit with oversight responsibility, and other governmental units (component units) within the parish over which the police jury exercises oversight responsibility. In accordance with GASB codification Section 2100, St. Tammany Parish Fire Protection District No. 12 is considered a component unit of the parish reporting entity because; (1) commissioners of the District are appointed by the St. Tammany Parish Police Jury and; (2) the District provides fire protection service to residents within St. Tammany Parish. While St. Tammany Parish Fire Protection District No. 12 is an integral part of the parish reporting entity and should be included within the general purpose financial statements of that reporting entity, GASB Codification Section 2600 provides that a component unit may also issue financial statements separate from those of the reporting entity. Accordingly, the accompanying financial statements present information only on the financial operations of St. Tammany Parish Fire Protection District No. 12 and do not present information on the St. Tammany Parish Police Jury, the general government services provided by the police jury or on other component units that comprise the St. Tammany Parish reporting entity.

Fire Protection District No. 12
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenue is recognized in the accounting period in which it becomes both measurable and available. Miscellaneous revenues are recorded as revenue when received in cash. Ad valorem tax revenue is recorded when it is measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenues

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on December 1 of each year, and are considered delinquent on January 1. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income on time deposits is recorded when the time deposits have matured and interest is available.

Substantially all other revenues are recognized when they become both measurable and available to finance expenditures of the fiscal period.

Expenditures

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

Fire Protection District No. 12
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Budget Practices

The District adopts an annual budget for the General Fund on a modified accrual basis of accounting. The budget is legally adopted and amended as necessary by the District.

8. Cash, Cash Equivalents, and Investments

Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or national banks having their offices in Louisiana. At December 31, 1995, the District has cash (book balances) totaling \$40,553 and certificates of deposit (book balances) totaling \$215,602.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Deposits (bank balances) at December 31, 1995, are categorized as follows:

Bank balances	<u>\$283,614</u>
Federal deposit insurance - demand deposits (Category 1)	\$ 14,310
Federal deposit insurance - time and savings (Category 1)	100,000
Pledged securities (Category 1)	<u>169,304</u>
Total	<u>\$ 283,614</u>

Fire Protection District No. 12
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Cash, Cash Equivalents, and Investments (Continued)

Category 1 includes bank balances which are insured or collateralized with securities held by the District or its agent in the District's name.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

The carrying amount of deposits does not include cash on hand balance of \$50.

The District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

9. Compensated Absences

FASB No. 43 requires employers to accrue a liability for future vacation and sick leave based on services already rendered. Each full time employee shall be entitled to an annual vacation of eighteen (18) calendar days or 144 hours with full pay. This vacation period shall be increased one day for each year of service over ten (10) years, up to a maximum vacation period of thirty (30) days, all of which shall be with full pay.

Upon termination of service, employees are paid for unused annual vacation leave.

The District does not accrue sick leave for their employees because their policy does not allow payment for accumulated sick leave.

In accordance with the above, the District has accrued \$23,674 vacation leave as of December 31, 1995 which is included in the General Long-Term Debt account group.

Fire Protection District No. 12
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Federal Income Taxes

The District is not subject to federal income taxes in accordance with the Internal Revenue Code (IRC) Section 115 regarding income of states, municipalities, political subdivisions, etc.

11. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - AD VALOREM TAXES

For the year ended December 31, 1995, ad valorem taxes were levied as follows:

On October 24, 1987, the Fire Protection District No. 12, St. Tammany Parish, Louisiana, was authorized to levy a special ad valorem tax of 10.21 mills on all property subject to taxation for a period of ten (10) years, beginning in 1988 and ending in the year 1997. The proceeds of this 10.21 mill tax is for the purpose of acquiring, constructing, improving, maintaining and operating fire protection facilities, purchasing fire trucks and other fire fighting equipment, and paying the cost of obtaining water for fire protection purposes.

On July 17, 1993, the District was authorized to levy an additional special ad valorem tax of ten (10) mills on all property subject to taxation for a period of ten (10) years, beginning in 1994 and ending in the year 2003. The proceeds of this ten (10) mill tax is for the purpose of acquiring, constructing, improving, maintaining and operating fire protection facilities, purchasing fire trucks and other

Fire Protection District No. 12
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 1995

NOTE B - AD VALOREM TAXES (Continued)

fire fighting equipment, and paying the cost of obtaining water for fire protection purposes.

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by the District on December 1, 1995. Billed taxes were delinquent on January 1, 1996. Revenues from ad valorem taxes are budgeted in the year billed.

The St. Tammany Parish Tax Collector bills and collects the District's ad valorem taxes using the assessed value determined by the tax assessor of St. Tammany Parish, Louisiana. Ad valorem taxes receivable at December 31, 1995 is as follows:

Ad valorem taxes	\$ 611,015
Less: Allowance for uncollectible taxes	<u>29,329</u>
Ad valorem taxes receivable, net	<u>\$ 581,686</u>

NOTE C - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

Balance, December 31, 1993	\$ 954,992
1994: Additions	5,757
Reductions	<u>-</u>
Balance, December 31, 1994	960,749
1995: Additions	118,545
Reductions	<u>-</u>
Balance, December 31, 1995	<u>\$1,079,294</u>

Fire Protection District No. 12
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 1995

NOTE C - CHANGES IN GENERAL FIXED ASSETS (Continued)

Donated fixed assets consist of the Highway 25 and Northpark properties, valued at \$55,000 and \$75,000, respectfully. The properties must be used for fire protection services as stipulated in the donation agreements or the properties will revert back to the donors under terms specified in the transfer documents

NOTE D - 2% FIRE INSURANCE TAX

The District is eligible and receives a pro-rata share of the fire insurance tax collected by the State of Louisiana. The amounts received by the District are based on the population of the areas that they serve. In accordance with the Revised Statutes, such money shall be used only for the purpose of "rendering more efficient and efficacious" fire protection as the District shall direct.

NOTE E - DEPRECIATION CONTINGENCY FUND

In February 1993, the Board of Commissioners of St. Tammany Parish Fire District No. 12 established a depreciation and contingency fund in the amount of \$25,000 for the purpose of repairing and replacing equipment. The balance at December 31, 1995 remains at \$25,000.

NOTE F - LOUISIANA FIREFIGHTERS RETIREMENT SYSTEM PENSION NOTE

Substantially all employees of Fire Protection District No. 12 of St. Tammany Parish are members of the Louisiana Firefighters Retirement System (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance prior to January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at

Fire Protection District No. 12
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 1995

NOTE F - LOUISIANA FIREFIGHTERS RETIREMENT SYSTEM PENSION NOTE
(Continued)

least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third per cent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (504)925-4060.

Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and Fire Protection District No. 12 is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and Fire Protection District No. 12 are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Fire Protection District No. 12's contributions to the System for the years ending December 31, 1995, 1994, and 1993, were \$27,879, \$20,151, and \$21,852, respectively, equal to the required contributions for each year.

Fire Protection District No. 12
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 1995

NOTE G - BOARD MEMBERS COMPENSATION

The Board of Commissioners receive thirty dollars for each board meeting attended, up to two meetings per month.

NOTE H - DEFERRED COMPENSATION PLAN

Fire Protection District No. 12 of St. Tammany Parish offers its employees deferred compensation under the Louisiana Public Employees Deferred Compensation Plan in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until retirement, death, termination, disability, or financial hardship. Contributions to the plan may not exceed the lesser of 25% of participating employees gross salary or \$7,500 per employee, in a calendar year. Salaries of employees participating in this plan for the year ended December 31, 1995 totaled \$54,964. The plan requires that the minimum contribution be equal to the current employee withholding rate for social security. the following are contributions made to the plan during the year ended December 31, 1995:

	<u>Amount</u>	<u>Percentage of Wages</u>
Employee	\$ 9,683	17.6%
Employer	<u>5,183</u>	<u>9.4%</u>
Total contributions	<u>\$ 14,866</u>	<u>27.0%</u>

Employee contributions are made as a non-taxable payroll deduction. The District has elected to contribute an additional amount to the plan as an extra benefit to participating employees.

NOTE I - PRIOR PERIOD ADJUSTMENT

During 1994 the District was subject to a workers' compensation audit by the Louisiana Workers' Compensation Corporation. As a result of this audit, the District was assessed an additional insurance premium totaling \$55,000. The additional premium was assessed based on 1993 payroll records and accordingly is shown as an adjustment to the District's beginning fund balance.

ACCOUNT GROUPS

Fire Protection District No. 12
St. Tammany Parish, Louisiana

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS

December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
General Fixed Assets at Cost:		
Vehicles	\$ 326,496	\$ 299,495
Equipment	220,750	170,100
Buildings	345,473	345,473
Land	166,990	130,000
Computer software	12,190	9,995
Furniture and fixtures	<u>7,395</u>	<u>5,685</u>
Total General Fixed Assets	<u>\$1,079,294</u>	<u>\$ 960,748</u>
Investments in General Fixed Assets from:		
General Fund		
Revenues	\$ 949,294	\$ 830,748
Donations	<u>130,000</u>	<u>130,000</u>
Total Investments in General Fixed Assets	<u>\$1,079,294</u>	<u>\$ 960,748</u>

The accompanying notes are an integral part of this statement.

Fire Protection District No. 12
St. Tammany Parish, Louisiana

COMPARATIVE STATEMENT OF GENERAL LONG-TERM DEBT

December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Amount to be provided for estimated liability for compensated absences	<u>\$ 23,674</u>	<u>\$ -</u>
	<u>\$ 23,674</u>	<u>\$ -</u>
Estimated liability for compensated absences	<u>\$ 23,674</u>	<u>\$ -</u>
	<u>\$ 23,674</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Smith, Huval & Associates, L.L.C.

(A LIMITED LIABILITY COMPANY)

Certified Public Accountants

P.O. Box 1660

Covington, Louisiana 70434-1660

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

To the Board of Commissioners
Fire Protection District No. 12
St. Tammany Parish, Louisiana

We have audited the general purpose financial statements of Fire Protection District No. 12, St. Tammany Parish, Louisiana, a component unit of St. Tammany Parish Police Jury, as of and for the years ended December 31, 1995 and 1994 and have issued our report thereon dated February 22, 1996.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Fire Protection District No. 12, St. Tammany Parish, Louisiana, is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the management and others within the organization as well as the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Smith, Huval & Associates, L.L.C.

February 22, 1996