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Release Date: 7/1/88

KETH J. HUYVA  
Certified Public Accountant

ST. TAMMANT PARISH FIRE PROTECTION  
DISTRICT NO. 1  
Eidell, Louisiana  
General Purpose Financial Statements  
and Independent Auditor's Report  
As of and for the Year Ended  
December 31, 1993

## CONTENTS

	<u>STATEMENT</u>	<u>Page</u> <u>No.</u>
Independent Auditor's Report		1
General Purpose Financial Statements:		
Balance Sheet - All Fund Types and Account Groups	A	3
Governmental Fund - General Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances	B	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	C	5
Notes to the Financial Statements		6
Supplemental Information Schedules:		
Summary Schedule of Prior Audit Findings		20
Corrective Action Plan for Current Year Audit Findings		21
Other Report Required by Government Auditing Standards:		
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		23

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
St. Tammany Parish Fire Protection District No. 1  
A Component unit of the St. Tammany Parish Police Jury  
Kisland, Louisiana

I have audited the accompanying general purpose financial statements of the St. Tammany Parish Fire Protection District No. 1, a component unit of the St. Tammany Parish Police Jury, as of and for the year ended December 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the St. Tammany Parish Fire Protection District No. 1. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Tammany Parish Fire Protection District No. 1, as of December 31, 1997, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated May 20, 1998, on my consideration of the St. Tammany Parish Fire Protection District No. 1's compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards. This report is presented separately after the notes to the financial statements of this audit report.

*Keith J. Rowina*

Keith J. Rowina  
Certified Public Accountant

May 20, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS**

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1  
 Slidell, Louisiana  
 Balance Sheet - All Fund Types and Account Groups  
 December 31, 1997

## Statement A

	Governmental Fund - General Fund	Account Group - General Fixed Assets	Total (Memorandum Only)
<b>ASSETS</b>			
Cash (Note C)	\$100	-	\$100
Investments (Note D)	1,928,938	-	1,928,938
Receivables:			
Ad valorem taxes	8,088,375	-	8,088,375
State revenue sharing	283,098	-	283,098
Accrued interest	42,178	-	42,178
Prepaid insurance	21,534	-	21,534
Land, buildings and equipment (Note E)	-	\$5,162,293	5,162,293
<b>TOTAL ASSETS</b>	<b>\$7,172,683</b>	<b>\$5,162,293</b>	<b>\$12,334,976</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
<b>Liabilities:</b>			
Cash overdraft	\$33,811	-	\$33,811
Portion deduction from ad valorem taxes	159,288	-	159,288
<b>Total Liabilities</b>	<b>193,100</b>	<b>-</b>	<b>193,100</b>
<b>Equity and Other Credits:</b>			
Investment in general fixed assets	-	\$5,162,293	5,162,293
Fund balance: unreserved-undesignated	2,172,683	-	2,172,683
<b>Total equity and Other Credits</b>	<b>2,172,683</b>	<b>5,162,293</b>	<b>7,335,376</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$7,334,976</b>	<b>\$5,162,293</b>	<b>\$12,334,976</b>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1  
 Slidell, Louisiana  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 General Fund  
 For the Year Ended December 31, 1997

STATEMENT B

**REVENUES**

Ad valorem taxes	\$5,389,921
Intergovernmental revenues -	
state revenue sharing	424,643
Tax on fire insurance premiums	330,887
Interest earnings	167,300
Miscellaneous	<u>5,243</u>
<b>Total Revenues</b>	<b><u>6,317,614</u></b>

**EXPENDITURES**

Salaries and related expenditures	4,157,396
Legal and professional services	63,373
Insurance	68,601
Office supplies	22,446
Repairs and maintenance	177,678
Telephone and utilities	60,070
Capital outlay	591,842
Deduction from ad valorem taxes for pension	159,909
Miscellaneous	<u>16,208</u>
<b>Total Expenditures</b>	<b><u>5,311,419</u></b>

Excess of Revenues over Expenditures	906,197
Fund Balance, Beginning of Year	4,371,428
Fund Balance, End of Year	<b><u>\$5,277,625</u></b>

The accompanying notes are an integral part of this statement.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1**  
**Slidell, Louisiana**  
**Statement of Revenues, Expenditures and**  
**and Changes in Fund Balance -**  
**Budget (GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 1997**

Statement C

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Ad valorem taxes	\$5,058,341	\$5,389,921	\$331,580
Intergovernmental revenue - state revenue sharing	428,000	434,643	6,643
Tax on fire insurance premiums	138,000	510,867	372,867
Interest earnings	138,000	267,282	129,282
Miscellaneous	-	8,283	8,283
Total Revenues	5,762,341	6,317,616	555,275
 <b>EXPENDITURES</b>			
Salaries	3,471,838	3,388,462	83,376
Building maintenance	39,880	28,687	11,193
Deductions from ad valorem taxes	157,800	158,909	(1,109)
Books and subscriptions	3,600	3,558	42
Employee schooling	36,360	17,988	18,372
Equipment maintenance	77,150	78,187	(937)
General liability insurance	75,000	83,691	(8,691)
Worker's compensation insurance	148,428	180,391	(31,963)
Group health insurance	308,347	338,123	(29,776)
Legal fees	38,000	28,877	9,123
Office supplies	19,500	18,888	612
Professional services	35,000	33,396	1,604
Gas and diesel fuel	26,100	25,986	114
Retirement - employer's contributions	322,694	322,468	226
Medicare taxes - employer's portion	10,580	28,839	(18,259)

(Continued)

The accompanying notes are an integral part of this statement.



ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1  
 Slidell, Louisiana  
 Statement of Revenues, Expenditures and  
 and Changes in Fund Balance - Budget  
 (GAAP Basis) and Actual - General Fund  
 For the Year Ended December 31, 1997

## Statement C - Continued

	Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES - CONTINGIBLE</b>			
Station supplies	\$41,280	\$8,731	\$32,549
Unemployment taxes	10,880	1,151	9,729
Telephone	23,800	21,849	1,951
Maintenance contracts	11,500	10,328	1,172
Uniforms	132,000	118,479	13,521
Utilities	38,500	38,321	179
Contingency fund	98,401	-	98,401
Rescue items expenditure	9,728	9,343	385
Hazardous material expenditure	18,448	18,351	97
Volunteers' expenditures	10,000	9,370	630
Fire prevention commissions	6,458	5,388	1,070
Capital outlay:			
Firefighting equipment	36,480	36,318	162
office equipment and furniture	47,150	51,607	(4,457)
Apparatus	-	298,497	(298,497)
Vehicles	139,800	86,387	53,413
Communications equipment	17,400	24,748	(7,348)
Computers	-	-	-
Training aids	960	2,138	(1,178)
Construction	31,708	42,385	(10,677)
Training facility	289,888	6,718	283,170
Rescue equipment	38,000	84,882	(46,882)
Hazardous material equipment	5,948	2,484	3,464
Bank charges	-	1,882	(1,882)
<b>Total Expenditures</b>	<b>\$9,716,343</b>	<b>\$,213,418</b>	<b>\$9,502,925</b>
Excess of Revenues over Expenditures	-	\$48,253	\$48,253
Fund Balance, Beginning of Year		\$,311,828	
Fund Balance, End of Year		<u>\$,360,081</u>	

(Continued)

The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1  
Slidell, Louisiana  
Notes to the Financial Statements  
December 31, 1997

**INTRODUCTION**

The St. Tammany Parish Fire Protection District No. 1 was created by the St. Tammany Parish Police Jury as provided by Louisiana Revised Statute 48:1483. The fire district is responsible for fire protection in the City of Slidell and the immediate surrounding area. The administration of the fire district is governed by a board of commissioners consisting of five members. Two members are appointed by the parish governing authority and two by the governing body of the municipal corporation in the fire district. The fifth member is selected by the other four members and serves as chairman. Vacancies are filled by the governing bodies making the original appointments. Board members serve two-year terms. The district operates six fire stations within the district and provides fire protection services in an area covering approximately 120 square miles. In addition to fire protection services, the district also provides fire prevention service to the public.

Board members serve without compensation.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Presentation**

The accompanying general purpose financial statements of the St. Tammany Parish Fire Protection District No. 1 have been prepared in conformity with generally accepted accounting principles (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.

**2. Reporting Entity**

As the governing authority of the parish, for reporting purposes, the St. Tammany Parish Police Jury is the financial reporting entity for St. Tammany Parish. The financial reporting entity consists of (a) the primary government (St. Tammany Parish Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1**

Slidell, Louisiana  
Notes to the Financial Statements  
December 31, 1989

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Tammany Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. the ability of the police jury to impose its will on that organization, and/or
  - b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the police jury.
2. Organizations for which the police jury does not appoint a voting majority, but are financially dependent on the police jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Even though the district operates independently of the police jury, the exclusion from the police jury's financial statements would cause the police jury's financial statements to be misleading or incomplete. Also, the police jury's ability to impose its will on the district is indicated by the ability to remove appointed members of the district's board at will. Because of these reasons, the district is determined to be a component unit of the St. Tammany Parish Police Jury.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1  
 Slidell, Louisiana  
 Notes to the Financial Statements  
 December 31, 1993

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Fund Accounting

The district uses a fund (General Fund) and an account group (General Fixed Assets Account Group) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions and activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The General Fund of the district is classified as a governmental fund. The General Fund accounts for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. It is the general operating fund of the fire protection district. It accounts for all financial resources, except those required to be accounted for in other funds.

4. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities generally are included on the balance sheet. Operating statements of this fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund, and it uses the following practices in recording revenues and expenditures:

Revenues --

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each 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.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1**  
 Slidell, Louisiana  
 Notes to the Financial Statements  
 December 31, 1997

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Interest earnings on time deposits are recorded when the time deposits and investments have matured and the interest is available.

Substantially all other revenues are recorded when received.

**Expenditures --**

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

**5. Budgets**

The district published the proposed budget for the General Fund in the official journal on December 5, 1996. A public hearing was held for the proposed budget on December 18 and 19, 1996, and the Board adopted the budget on December 19, 1996. The budget is prepared and reported on the modified accrual basis of accounting. All appropriations lapse at year end. Formal budget integration within the accounting records is employed as a management control device during the year. Changes or amendments are made upon the approval of the Board. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**6. Cash and Investments**

Cash includes amounts in interest bearing demand deposits. Under State law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the district may invest in United States bonds, treasury notes, certificates, or repurchase agreements for these instruments. Investments are stated at cost.

**7. Ad Valorem Tax Receivables**

The district has budgeted 1/4 of the revenue from ad valorem tax assessments as uncollectible.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1**  
 Slidell, Louisiana  
**Notes to the Financial Statements**  
**December 31, 1997**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

8. Prepaid Insurance  
 Payments were made during 1997 for insurance that covered a period of several months beyond December 31, 1997. The portion of the payments applicable to the period after December 31, 1997 was recorded as prepaid insurance because the expenditure was not yet incurred as of that date.
9. Fixed Assets  
 Fixed assets are recorded as expenditures at the time purchased, donated, or constructed, and the related assets are capitalized and reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. Fixed assets purchased or constructed are valued at historical cost.
10. Compensated Absences  
 Employees of the fire protection district are entitled to 18 to 30 days of annual leave each year, depending on their years of service. Sick leave is granted to each regular employee for a period of not more than 52 weeks. The cost of current leave privileges, computed in accordance with GASB Codification Section 060, is recognized as a current-year expenditure in the General Fund when leave is actually taken. Annual and sick leave cannot be carried over; therefore, there are no accumulated leave benefits required to be reported in accordance with GASB Codification Section 060.
11. Long-term Obligations  
 The district did not have any long-term obligations at the year's end.
12. Encumbrances  
 The district does not use encumbrance accounting.
13. Total Columns on Financial Statements  
 The total columns on the statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1**  
 Slidell, Louisiana  
**NOTES to the Financial Statements**  
 December 31, 1997

**NOTE B - LEVIED TAXES**

The district authorized and levied a .35-mill ad valorem tax for operations and maintenance for 1997.

The following are the principal taxpayers of the district (amounts expressed in thousands):

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Central La. Elect. Co.	utility	\$9,700,700	5.87%
BellSouth Inc.	Telephone	4,907,410	4.50
First NBC	Banking	4,344,880	2.71
Slidell Northshore Ltd.	Developer	3,580,850	1.48
McKesson Corp.	Pharmaceutical	1,902,600	1.39
Northshore Region. Med.	Health care	1,844,300	1.21
Louisiana Gas Ser. Co.	Utility	1,788,184	1.19
Health Care Prop. Pctrshp.	Health care	1,581,110	1.03
Minerva National Bank	Financial	1,278,878	.81
Wal-Mart Stores Inc.	Retail store	<u>1,028,528</u>	<u>.67</u>
		<b><u>\$31,821,516</u></b>	<b><u>20.72%</u></b>

The total assessed valuation for all taxpayers at December 31, 1997 was \$153,432,340. This figure was used in calculating the percentage of the "assessed valuation of each of the ten largest taxpayers" listed above to the "total assessed valuation for all taxpayers."

**NOTE C - CASH**

At December 31, 1997, the carrying amounts (book balances) of all cash of the district totaled \$102, and are listed as follows:

Cash on hand	\$102
Total	<u>\$102</u>

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



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1**  
 Slidell, Louisiana  
 Notes to the Financial Statements  
 December 31, 1997

**NOTE C - CASH (CONTINUED)**

market value of the pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1997, the district had \$107,846 in deposits (collected bank balances). These deposits were secured from risk by Federal depository insurance totaling \$100,000. The deposits that were secured by pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3) totaled \$7,846.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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.

**NOTE D - INVESTMENTS**

At December 31, 1997, the district had investments with a total carrying value at cost of \$1,928,928, and a market value of \$1,968,427. The investments are in the name of the custodian bank in its investment division. Because these repurchase agreements are not in the name of the district and are not held by the district or its agent, the investments are considered uninsured and unregistered (GASB Category 3) in applying the credit risk of GASB Codification Section 190.164.

**NOTE E - CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance January 1, <u>1997</u>	Additions	Deductions	Balance December 31, <u>1997</u>
Land	\$253,118	-	-	\$253,118
Buildings	1,332,887	842,986	-	2,175,873
Equipment and furniture	3,075,315	273,282	(921,474)	3,427,123
<b>Total</b>	<b>\$6,661,320</b>	<b>\$1,118,268</b>	<b>(\$921,474)</b>	<b>\$6,858,114</b>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1  
 Slidell, Louisiana  
 Notes to the Financial Statements  
 December 31, 1987

NOTE F - PENSION PLAN

Plan Description - Louisiana Firefighters' Retirement System substantially all employees of the St. Tammany Parish Fire Protection District No. 1 are members of the Louisiana Firefighters' Retirement System (System), a cost-sharing, multiple-employer defined benefit plan 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 district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at 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 percent 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 stated above 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. The report may be obtained by writing to the Louisiana Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70894, or by calling (504) 835-4660.

Funding Policy

For the year ended December 31, 1987, members of the System are required to contribute 8.04 of their annual covered salary and the district (employer) is required to contribute at an actuarially determined rate. The employer contribution rate is 3.04 of annual covered payroll. The contribution requirements of plan members and the district are established and may be amended by state statute. As provided by Louisiana

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1**  
 Slidell, Louisiana  
 Notes to the Financial Statements  
 December 31, 1997

**NOTE F - PENSION PLANS (CONTINUED)**

revised Statute 11:289, 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.

The fire district's (employer) contributions to the System for the years ended December 31, 1997, 1996 and 1995, were \$304,756, \$297,378 and \$291,601, respectively. These amounts equalled the required contribution amounts for those years.

Plan Description - Parochial Employees' Retirement System  
 Three employees of the St. Tammany Parish Fire Protection District No. 1 are members of the Parochial Employees' Retirement System of Louisiana (PERSL), a cost-sharing, multiple-employer defined pension benefit plan administered by a separate board of trustees. PERSL is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

All permanent employees working at least 20 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in PERSL. Under Plan A, employees who retire at or after age 50 with at least 10 years of creditable service, at or after age 55 with at least 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 1 percent of the member's final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only, prior to January 1, 1990, the benefit is equal to one percent of the final-average salary plus \$24 for each year of supplemental plan only service earned prior to January 1, 1988. Final-average salary is the employee's average salary over the 16 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employer contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. PERSL also provides death and disability benefits. Benefits are established by state statute.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1  
 Slidell, Louisiana  
 Notes to the Financial Statements  
 December 31, 1997

NOTE F - PENSION PLANS (CONTINUED)

PERS issues an annual publicly available financial report that includes financial statements and required supplementary information for PERS. The report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14419, Baton Rouge, Louisiana 70899-4419, or by calling (504) 338-1361.

Pending Policy

Under Plan A, members of PERS are required to contribute 9.5% of their annual covered salary and the district is required to contribute at an actuarially determined rate. The employer contribution rate for the year ended December 31, 1997 is 7.75% of annual covered payroll. Contributions to PERS also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the district are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:133, 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.

The fire district's (employer) contributions to PERS under Plan A for the years ended December 31, 1997, 1996 and 1995, were \$6,396, \$6,723 and \$1,704, respectively, and these amounts equaled the required contributions for each year.

NOTE G - INTERGOVERNMENTAL AGREEMENT

On March 26, 1993, the fire district entered into an intergovernmental agreement with the city of Slidell for the construction, operation and maintenance of a training facility at Camp Villere in Slidell. The facility is used by the fire district and the city's police department. In 1997, the fire district paid \$5,718 towards the facility's "operation and maintenance".

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1  
Slidell, Louisiana  
Notes to the Financial Statements  
December 31, 1987

NOTE B - LITIGATION

As of December 31, 1987, the fire district was involved in one lawsuit of a monetary nature. Based on information received from its attorney, it is the fire district's opinion that no liability has been incurred, nor has an asset of the fire district been impaired as a result of this lawsuit. Therefore, no provision should be made in the fire district's financial statements for any liability related to this lawsuit as of December 31, 1987.

**DISPLACEMENT INFORMATION DISSEMINATION**

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 1  
Slidell, Louisiana  
Supplemental Information Schedule  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 1997

Reference No.: 1

Fiscal Year Finding Initially Occurred: Has existed from inception.

Finding Described: The size of the board's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Correction Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

ST. TAMMANT PARISH FIRE PROTECTION DISTRICT NO. 1  
Slidell, Louisiana  
Supplemental Information Schedules  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended December 31, 1997

Reference No.: 1

Fiscal Year Finding Initially Observed: Was waived from inception.

Finding Described: The size of the board's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Contact Person:  
Steve Morris,  
Chairman of the Board  
Slidell, Louisiana

Anticipated Completion Date: Not applicable.



**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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

Board of Commissioners  
St. Tammany Parish Fire Protection District No. 1  
A Component unit of the St. Tammany Parish Police Jury  
Bridell, Louisiana

I have audited the general purpose financial statements of the St. Tammany Parish Fire Protection District No. 1, a component unit of the St. Tammany Parish Police Jury, as of and for the year ended December 31, 1997, and have issued my report thereon dated May 20, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As a part of obtaining reasonable assurance about whether the St. Tammany Parish Fire Protection District No. 1's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the St. Tammany Parish Fire Protection District No. 1's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose

financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operations that I consider to be reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the board's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. I noted that, as a material weakness, the size of the board's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control. Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I considered the reportable condition described above to be a material weakness.

This report is intended solely for the use of management and the state of Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.



Keith J. Rovira  
Certified Public Accountant

May 20, 2008