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**ST. TAMMANY PARISH FIRE
PROTECTION DISTRICT NO. 11
COMPILATION OF FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

DECEMBER 31, 1998

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 OCT 13 1999

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11

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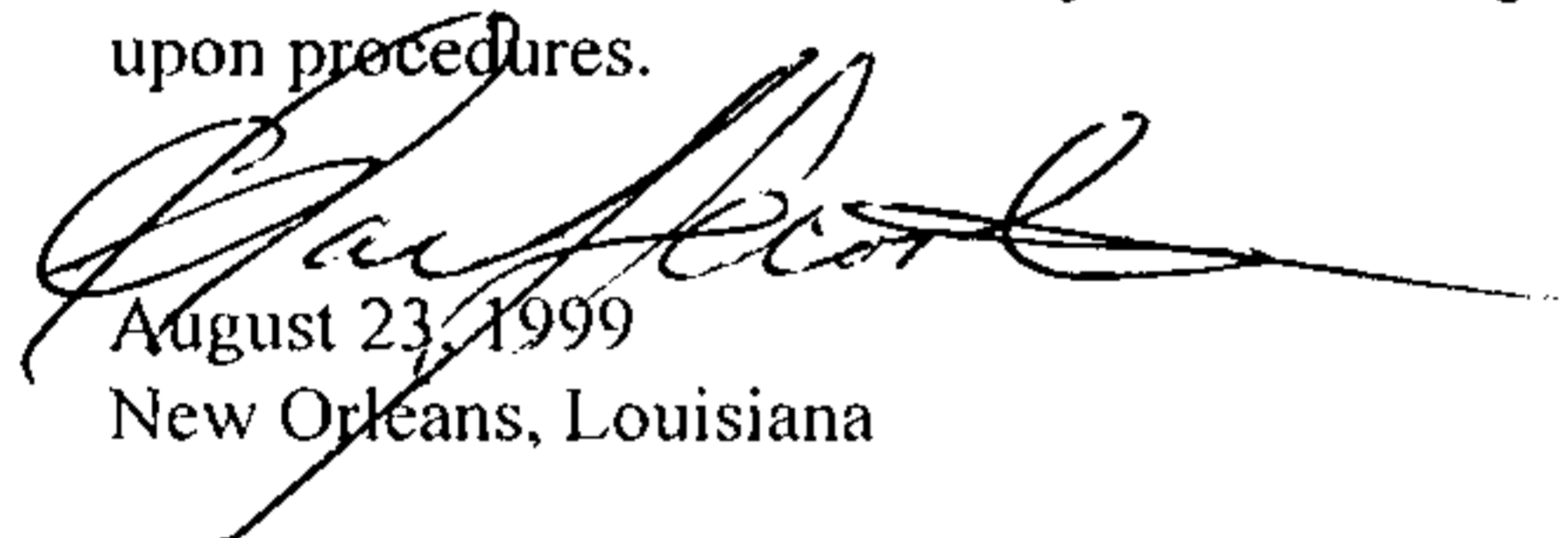
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To the Board of Commissioners of
St. Tammany Parish Fire Protection District No. 11
PO Box 1210
Pearl River, Louisiana 70452

I have compiled the accompanying financial statements of St. Tammany Parish Fire Protection District No. 11, a component unit of the St. Tammany Parish Police Jury, State of Louisiana, as and for the year ended December 31, 1998, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated August 23, 1999 on the results of our agreed-upon procedures.



August 23, 1999
New Orleans, Louisiana

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT
NO. 11
ALL FUND TYPES AND ACCOUNT GROUPS
BALANCE SHEET
December 31, 1998**

	GOVERNMENTAL FUND TYPE- GENERAL FUND	<u>ACCOUNT GROUPS</u>		TOTAL (MEMO)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
ASSETS AND OTHER DEBITS				
ASSETS				
Cash	\$ 9,903			\$ 9,903
Investments	40,140			40,140
Receivables:				
Ad valorem taxes	133,447			133,447
State revenue sharing	9,270			9,270
Land, building, and equipment		\$555,325		555,325
OTHER DEBITS				
Amount to be provided for retirement of long-term debt	=	=	\$235,000	235,000
Total assets and other debits	<u>\$192,760</u>	<u>\$555,325</u>	<u>\$235,000</u>	<u>\$983,085</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 1,750			\$ 1,750
Payroll tax liabilities	101			101
Capital lease payable	23,300			23,300
General obligation bonds	=	=	235,000	235,000
Total liabilities	<u>25,151</u>		<u>235,000</u>	<u>260,151</u>
FUND EQUITY				
Investment in fixed assets		555,325		555,325
Fund balance - undesignated	<u>167,609</u>	=	=	<u>167,609</u>
Total liabilities and fund equity	<u>\$ 192,760</u>	<u>\$ 555,325</u>	<u>\$ 258,300</u>	<u>\$ 983,085</u>

The accompanying notes are an inherent part of the financial statements

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND
For the year ended December 31, 1998

STATEMENT B

REVENUES	
Ad valorem taxes	\$ 127,417
Intergovernmental revenues:	
State revenue sharing	9,756
Fire insurance rebate	6,989
Interest earned	3,669
Rental income	1,800
Grants	675
Other	<u>3,076</u>
Total revenues	<u>153,382</u>
 EXPENDITURES	
Salaries and related expenditures	20,608
Insurance	12,697
Repairs and maintenance	14,213
Telephone and utilities	4,911
Office supplies	2,358
Station supplies	2,513
Vehicle operations	4,212
Advertising	1,135
Training	442
Debt service	
Principal	5,000
Interest	15,225
Miscellaneous	1,856
Capital outlay	<u>303,152</u>
Total expenditures	<u>388,322</u>
Deficiency of revenues over expenditures	<u>(234,940)</u>
 OTHER FINANCING SOURCES	
Proceeds from capital lease	23,300
Sale of equipment	<u>106,000</u>
Total	<u>129,300</u>
Deficiency of revenues and other financing sources over expenditures	<u>(105,640)</u>

The accompanying notes are an inherent part of the financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND

For the year ended December 31, 1998

STATEMENT B (CONTINUED)

FUND BALANCE BEGINNING OF YEAR	<u>273,249</u>
FUND BALANCE AT END OF YEAR	<u>\$167,609</u>

The accompanying notes are an inherent part of the financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the year ended December 31, 1998

STATEMENT C

REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Ad valorem taxes	\$ 121,351	\$ 123,152	\$ 1,801
State revenue sharing	8,786	8,786	-
Fire insurance rebate	6,989	6,989	-
Interest income	3,436	3,669	233
Grants	675	675	-
Rental income	1,800	1,800	-
Other	<u>4,192</u>	<u>3,076</u>	<u>(1,116)</u>
Total revenues	<u>147,229</u>	<u>148,147</u>	<u>(918)</u>
EXPENDITURES			
Salaries	12,000	17,172	(5,172)
Payroll taxes	2,250	1,406	844
Workmen's compensation insurance	1,000	1,430	(430)
Contract labor	1,100	600	400
Accounting	2,000	2,000	-
Insurance	13,000	12,697	303
Training	1,000	442	558
Medical supplies	1,000	-	-
Advertising	250	1,135	(885)
Rental	150	118	32
Miscellaneous	900	1,856	(956)
Building maintenance	2,800	3,050	(250)
Repairs building equipment	500	3,920	(3,420)
Repairs office equipment	500	-	500
Repairs radio	1,000	1,053	(53)
Vehicle maintenance	11,000	4,691	6,309
Fuel	4,100	3,755	345
Utilities	2,960	3,118	(158)
Telephone	2,200	1,793	407
Station supplies	800	2,513	(1,713)
Office supplies	1,200	2,358	(1,158)
Radio supplies	750	-	-

The accompanying notes are an inherent part of the financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the year ended December 31, 1998

STATEMENT C (CONTINUED)

Capital outlays			
Fire trucks	343,784	297,715	(46,069)
Fire fighting equipment	3,500	5,437	(1,937)
Painting truck	3,500	3,500	-
Equipment for personnel	2,300	-	2,300
Equipment for building	500	298	202
Radio purchase	2,000	-	2,000
Office equipment	800	-	800
Debt service			
Interest	15,224	15,226	(2)
Principal	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total expenditures	<u>439,068</u>	<u>392,283</u>	<u>(46,785)</u>
Deficiency of revenues over expenditures	(291,839)	(244,136)	(47,703)
OTHER FINANCING SOURCES			
Capital lease	23,300	23,300	-
Sale of equipment	<u>106,000</u>	<u>106,000</u>	<u>-</u>
Deficiency of revenues and other financing sources over expenditures	(162,539)	(114,836)	(47,703)
FUND BALANCE AT BEGINNING OF YEAR (RESTATED)		<u>243,345</u>	
FUND BALANCE AT END OF YEAR		<u>128,509</u>	

The accompanying notes are an inherent part of the financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11

Pearl River, Louisiana

Notes to the Financial Statements

December 31, 1998

ORGANIZATION

The St. Tammany Parish Fire Protection District No. 11 (The District) was created by the St. Tammany Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492. The District is responsible for fire protection in the Pearl River area and is governed by a volunteer board of directors.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying general purpose financial statements of The District 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.

GASB 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:

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11

Pearl River, Louisiana

Notes to the Financial Statements

December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority, but are fiscally 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.

3. Fund Accounting

The District uses funds and account groups 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 governmental 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- 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, and the acquisition of general fixed assets.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11

Pearl River, Louisiana

Notes to the Financial Statements

December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

Interest income is recorded when measurable and 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 budget was 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 upon the approval of the board. Budgeted amounts included in the accompanying financial statements represent the final budget adopted November 6, 1998.

ST. TAMMANY FIRE PROTECTION DISTRICT NO. 11

Pearl River, Louisiana

Notes to the Financial Statements

December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

6. Cash and Investments

Cash includes amounts in demand deposits. Investments represent certificates of deposit with banking institutions. 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 principle offices in Louisiana. Investments are stated at cost.

7. 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. No depreciation has been provided on general fixed assets. Fixed assets purchased or constructed are valued at historical cost.

8. General obligation bonds

The District has issued general obligation bonds. The schedule of principle due and interest is as follows:

Year ending	Principal	Interest	Total
December 31,			
1999	\$ 5,000	\$ 14,281	\$ 19,281
2000	10,000	13,695	23,695
2001	10,000	12,865	22,865
2002	10,000	12,000	22,000
years after to			
2015	<u>200,000</u>	<u>118,534</u>	<u>318,534</u>
Totals	<u>\$235,000</u>	<u>\$171,375</u>	<u>\$406,375</u>

NOTE B - CASH

Cash consists of amounts in demand deposits. All amounts are either fully insured or collateralized as of December 31, 1998.

SUPPLEMENTAL INFORMATION

Charles L. Lacoste, Jr.

Certified Public Accountant

8116 Burthe Street

New Orleans, Louisiana 70118

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

Board of Commissioners

St. Tammany Parish Fire District No. 11

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of St. Tammany Parish Fire Protection District No. 11 (The District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 1998 included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed are as follows:

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000 or public works exceeding \$100,000 and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (The Public Bid Law).

I examined all applicable purchases and found compliance with the Public Bid Law.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

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

Management provided us with the required list.

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

None of the employees included in step3 appeared on the list from step 2.

Budgeting

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

Management provided us with a copy of the original budget and amendments to the budget during the year.

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

I traced the adoption of the original budget and amendments to the minutes of the meetings.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues fail to meet budgeted revenues by 5% or more or actual expenditures exceed budgeted expenditures by 5% or more.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues were 5% or more less than budgeted and actual expenditures were not 5% or more greater than budgeted.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and: (a) trace payments to supporting documentation as to proper amount and payee, (b) determine if payments were properly coded to the correct fund and general ledger account, and (c) determine whether payments received approval from proper authorities.

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee, payments were properly coded to the correct fund and general ledger account and inspection of documents supporting each of the six selected disbursements indicated proper approvals, with one exception. Payment of the disbursement on check #4663 for \$1750 did not have a supporting invoice.

Management will insure that all future disbursements are made only with proper invoices.

Meetings

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

No exceptions regarding compliance with the laws and regulations were noted.

Debt

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

I inspected copies of all bank deposit slips for the year and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness. However, there was one instance of a capital lease in connection with the purchase of fire fighting equipment, as reflected in the financial statements, for which no prior approval was sought or received from the State Bond Commission.

Advances and Bonuses

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

A reading of the minutes of the District for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would indicate bonuses, advances, or gifts.

Noncompliance

There was one instance of noncompliance that is required to be reported herein under Government Auditing Standards, which has no effect upon the financial statements. The compilation and attestation report was not completed and submitted to the Louisiana Legislative Auditor by June 30, 1999 as required by state law.

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

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

New Orleans, Louisiana

August 23, 1999

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 11

Dr. Daniel Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
PO Box 94397
Baton Rouge, Louisiana, 7084-9397

Dear Dr. Kyle:

The management of the ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11 has adopted a plan of corrective action regarding the audit findings as follows:

We will engage our audit firm for the upcoming year immediately and begin preparations for the examination. Early steps have already been taken with the bookkeeping firm to prevent any recurrence;

We did not believe we needed approval for the transaction and it was an error of omission. Before any future transactions that are not within the normal course of daily operations, we will seek legal counsel to insure that there are no future errors of this type.

Please accept this corrective action plan.

Sincerely,



Chairman, Board of Commissioners