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**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

**FINANCIAL REPORT**

**YEARS ENDED DECEMBER 31, 1998 AND 1997**

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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 FEB 09 2000

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

## INDEPENDENT AUDITORS' REPORT

I have audited the accompanying general purpose financial statements of St. Tammany Parish Fire Protection District No. 13 as of and for the years ended December 31, 1998 and 1997. These financial statements are the responsibility of the Fire District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain a 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the St. Tammany Parish Fire Protection District No. 13, as of December 31, 1998 and 1997 and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 22, 2000 on my consideration of the St. Tammany Parish Fire Protection District No. 13 internal control over financial reporting and my tests of its compliance with certain provisions of laws and regulations.



January 22, 2000

**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

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

**DECEMBER 31, 1998**

	<u>GOVERNMENTAL FUNDS</u>	<u>ACCOUNT GROUPS</u>		<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>GENERAL FUND</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM OBLIGATIONS</u>	
<b>ASSETS</b>				
Assets:				
Cash and cash equivalents	\$ 471	\$ -	\$ -	\$ 471
Receivables	139,982	-	-	139,982
Land, buildings, and equipment		522,614		522,614
Amount to be provided for retirement of general long-term obligations	-	-	14,000	14,000
<b>Total Assets and Other Debits</b>	<b><u>\$140,453</u></b>	<b><u>\$522,614</u></b>	<b><u>\$14,000</u></b>	<b><u>\$677,067</u></b>
<b>LIABILITIES AND EQUITY</b>				
Liabilities:				
Accounts payable	\$ 2,126	\$ -	\$ -	\$ 2,126
Payroll deductions and withholdings payable	2,869	-	-	2,869
Salaries and wages payable	656	-	-	656
Certificate of indebtedness	-	-	14,000	14,000
Note payable	<u>36,200</u>	-	-	<u>36,200</u>
<b>Total Liabilities</b>	<b>41,851</b>	<b>-</b>	<b>14,000</b>	<b>55,851</b>
<b>EQUITY</b>				
Investment in general fixed assets	-	522,614		522,614
Fund Balances - Unreserved - undesignated	<u>98,602</u>	-	-	<u>98,602</u>
<b>Total Equity</b>	<b><u>98,602</u></b>	<b><u>522,614</u></b>	<b><u>-</u></b>	<b><u>621,216</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$140,453</u></b>	<b><u>\$522,614</u></b>	<b><u>\$14,000</u></b>	<b><u>\$677,067</u></b>

The accompanying notes are an integral part of the statement.

**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

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

**DECEMBER 31, 1997**

	<u>GOVERNMENTAL FUNDS</u>	<u>ACCOUNT GROUPS</u>		<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>GENERAL FUND</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM OBLIGATIONS</u>	
<b>ASSETS</b>				
Assets:				
Cash and cash equivalents	\$110,016	\$ -	\$ -	\$110,016
Receivables	126,294	-	-	126,294
Land, buildings, and equipment		360,117		360,117
Amount to be provided for retirement of general long-term obligations	-	-	38,817	38,817
Total Assets and Other Debits	<u>\$236,310</u>	<u>\$360,117</u>	<u>\$38,817</u>	<u>\$635,244</u>
<b>LIABILITIES AND EQUITY</b>				
Liabilities:				
Accounts payable	\$ 3,967	\$ -	\$ -	\$ 3,967
Payroll deductions and withholdings payable	1,552	-	-	1,552
Salaries and wages payable	779	-	-	779
Certificate of indebtedness	-	-	27,000	27,000
Capital lease obligation	-	-	11,817	11,817
Total Liabilities	6,298	-	38,817	45,115
<b>EQUITY</b>				
Investment in general fixed assets	-	360,117		360,117
Fund Balances - Unreserved - undesignated	230,011	-	-	230,011
Total Equity	230,011	360,117	-	590,128
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$236,309</u>	<u>\$360,117</u>	<u>\$38,817</u>	<u>\$635,243</u>

The accompanying notes are an integral part of the statement.

**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

**STATEMENT OF REVENUES, EXPENDITURES AND**

**CHANGES IN FUND BALANCE**

**GOVERNMENTAL FUND - GENERAL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 1998 AND 1997**

	<u>1998</u>	<u>1997</u>
<b>REVENUES:</b>		
Ad valorem taxes	\$ 138,090	\$129,146
Intergovernmental revenues:		
State revenue sharing	6,536	3,688
Insurance reimbursement	4,221	3,984
Interest earnings	<u>3,308</u>	<u>3,808</u>
Total revenues	152,155	140,626
<b>EXPENDITURES:</b>		
Salaries and related benefits	20,768	21,062
Truck supplies and fuel	28,132	16,980
Legal and accounting	-	3,000
Insurance	17,453	20,777
Telephone	6,019	5,501
Repairs and maintenance	11,228	18,225
Utilities	2,104	1,599
Capital outlay	162,497	18,567
Debt service:		
Principal	24,817	22,844
Interest	3,404	6,121
Other	<u>7,143</u>	<u>4,158</u>
Total expenditures	<u>283,565</u>	<u>138,834</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(131,410)	1,792
<b>FUND BALANCES, at beginning of year, as previously stated</b>	230,012	235,227
Correction to 1996 Receivables	<u>-</u>	<u>(7,007)</u>
<b>FUND BALANCES, at end of year</b>	<u>\$ 98,602</u>	<u>\$230,012</u>

The accompanying notes are an integral part of the statement.



**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

**STATEMENT OF REVENUES, EXPENDITURES AND**

**CHANGES IN FUND BALANCE - BUDGET**

**(GAAP BASIS) AND ACTUAL**

**GOVERNMENTAL FUND - GENERAL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES:</b>			
Ad valorem taxes	\$141,000	\$138,090	\$ (2,910)
Intergovernmental revenues:			
State revenue sharing	4,100	6,536	2,436
Insurance reimbursement	3,800	4,221	421
Interest earnings	1,800	3,308	1,508
Other revenues	<u>500</u>	<u>-</u>	<u>(500)</u>
Total revenues	151,200	152,155	955
<b>EXPENDITURES:</b>			
Salaries and related benefits	37,500	20,768	16,732
Truck supplies and fuel	17,800	28,132	(10,332)
Insurance	27,000	17,453	9,547
Telephone	3,500	6,019	(2,519)
Repairs and maintenance	6,507	11,228	(4,721)
Utilities	3,500	2,104	1,396
Capital outlay	-	162,497	(162,497)
Debt service:			
Principal	46,000	24,817	21,183
Interest	3,593	3,404	189
Other	<u>5,800</u>	<u>7,143</u>	<u>(1,343)</u>
Total expenditures	151,200	283,565	(132,365)
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	-	(131,410)	<u>\$(131,410)</u>
<b>FUND BALANCES, at beginning of year</b>	<u>230,012</u>	<u>230,012</u>	
<b>FUND BALANCES, at end of year</b>	<u>\$230,012</u>	<u>\$ 98,602</u>	

The accompanying notes are an integral part of the statement.

**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

**STATEMENT OF REVENUES, EXPENDITURES AND**

**CHANGES IN FUND BALANCE - BUDGET**

**(GAAP BASIS) AND ACTUAL**

**GOVERNMENTAL FUND - GENERAL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES:</b>			
Ad valorem taxes	\$135,000	\$129,146	\$ (5,854)
Intergovernmental revenues:			
State revenue sharing	4,100	3,688	(412)
Insurance reimbursement	3,800	3,984	184
Interest earnings	1,800	3,808	2,008
Other revenues	<u>500</u>	<u>-</u>	<u>(500)</u>
Total revenues	145,200	140,626	(4,574)
<b>EXPENDITURES:</b>			
Salaries and related benefits	36,500	21,062	15,438
Truck supplies and fuel	18,800	16,980	1,820
Legal and accounting	-	3,000	(3,000)
Insurance	25,000	20,777	4,223
Telephone	3,500	5,501	(2,001)
Repairs and maintenance	6,007	18,225	(12,218)
Utilities	2,500	1,599	901
Capital outlay	-	18,567	(18,567)
Debt service:			
Principal	40,000	22,844	17,156
Interest	9,593	6,121	3,472
Other	<u>3,300</u>	<u>4,158</u>	<u>(858)</u>
Total expenditures	<u>145,200</u>	<u>138,834</u>	<u>6,366</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	1,792	<u>\$ 1,792</u>
<b>FUND BALANCES, at beginning of year, as previously stated</b>	235,227	235,227	
Correction to 1996 Receivables	<u>(7,007)</u>	<u>(7,007)</u>	
<b>FUND BALANCES, at end of year</b>	<u>\$228,220</u>	<u>\$230,012</u>	

The accompanying notes are an integral part of the statement.



**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES**

**INTRODUCTION**

The St. Tammany Parish Fire Protection District No. 13 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 two fire stations.

**BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the St. Tammany Parish Fire Protection District No. 13 conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**FINANCIAL REPORTING ENTITY**

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the Fire District is determined on the basis of the accountability for fiscal matters under the control of the Fire District's Board of Commissioners.

The police jury appoints a voting majority of the Board of Commissioners and has the ability to impose its will on them. However, since the Police Jury does not exercise control of their operations, it has decided to not include Fire District #13 in its general purpose financial statements.

The accompanying financial statements present information only on the funds maintained by the Fire District #13 and do not present information on the St. Tammany Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

**FUND ACCOUNTING**

The Fire District #13 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 government functions or activities.

ST. TAMMANY PARISH FIRE PROTECTION

DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS

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**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES - (CONTINUED)**

**FUND ACCOUNTING - (CONTINUED)**

A district is a separate accounting entity with 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.

Funds of the Fire District No. 13 are classified as governmental funds. Governmental funds account 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. The district maintains the following fund types and account groups:

*Governmental fund types*, that includes the General Fund, which is used to record the general operations of the Fire District.

*General fixed assets*, which is used to account for property and equipment purchased by the General Fund.

*Debt Service Fund*, accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

**BASIS OF ACCOUNTING**

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

**REVENUES:**

Revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, ad valorem taxes, are considered "measurable" when assessed to the taxpayer. Other revenues are measurable when in the hands of the collecting government and are recognized as revenue at that time.

**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES - (CONTINUED)**

**EXPENDITURES:**

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 long-term debt is recognized when due.

**BUDGETS:**

The district follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Secretary/Treasurer prepares a proposed budget and submits same to the Board of Commissioners at the beginning of each fiscal year.
2. After all action necessary to finalize and implement the budget, the budget is adopted in the minutes of Board of Commissioners meeting.
3. Budgetary amendments generally are not made during the year.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, including savings. Cash equivalents include amounts in these time deposits. Under state law, the Fire District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the Fire District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES - (CONTINUED)**

**FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. The general fixed assets include donated land and building at an estimated cost of \$70,000. No other fixed asset costs have been estimated. No depreciation has been provided on general fixed assets.

**COMPENSATED ABSENCES**

The Fire District does not provide any vacation or sick leave benefits to any of its employees. Accordingly, there is accrual for compensated absences.

**LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

**TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW**

The total columns on the combined balance sheets are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. There are no interfund transactions or balances.

**NOTE 2 - CASH**

Cash and consist entirely of a checking and savings accounts.



**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 - CASH - (CONTINUED)**

The carrying amount of the District's deposits with financial institutions at December 1998 and 1997 was \$2,810 and \$110,016, respectively. The bank balance was \$140 and \$112,587, respectively. The bank balance was collateralized by the bank as follows:

	<u>DECEMBER 31,</u>	
	<u>1998</u>	<u>1997</u>
Amount insured by the FDIC	\$ 140	\$100,000
Uninsured	-	<u>12,587</u>
Total bank balance	<u>\$140</u>	<u>\$112,587</u>

During the two years ended December 31, 1998 and 1997, the highest uninsured balance was approximately \$88,000.

**NOTE 3 - RECEIVABLES**

The following is a summary of receivables at December 31, 1998 and 1997:

<u>CLASS OF RECEIVABLE</u>	<u>1998</u>	<u>1997</u>
Ad valorem taxes	\$137,643	\$124,196
Revenue sharing	<u>2,339</u>	<u>2,098</u>
Total	<u>\$139,982</u>	<u>\$126,294</u>

Ad valorem taxes are collected and remitted by the Sheriff's office. Taxes are assessed on a basis of 30.29 mills.

**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4 - CHANGES IN GENERAL FIXED ASSETS**

A summary of the changes in general fixed assets follows:

	<u>BALANCE DECEMBER 31, 1996</u>	<u>1997 ADDITIONS</u>	<u>1998 ADDITIONS</u>	<u>BALANCE DECEMBER 31, 1998</u>
Equipment	\$271,550	\$ 5,972	\$ 4,074	\$281,596
Land and Buildings	<u>70,000</u>	<u>12,595</u>	<u>158,423</u>	<u>241,018</u>
Total general fixed assets	<u>\$341,550</u>	<u>\$18,567</u>	<u>\$162,497</u>	<u>\$522,614</u>

**NOTE 5 - NOTE PAYABLE TO BANK**

The Fire District had a demand, 10.5% note payable to a bank in the amount of \$36,000. The Fire District had an additional \$24,000 available to borrow on this note.

**NOTE 6 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

	<u>CERTIFICATE OF INDEBTEDNESS</u>	<u>CAPITAL LEASE</u>	<u>TOTAL</u>
Balance payable at January 1, 1997	\$ 39,000	\$22,661	\$61,661
Retirements in 1997	<u>12,000</u>	<u>10,844</u>	<u>22,844</u>
Balance payable at December 31, 1997	27,000	11,817	38,817
Retirements in 1998	<u>13,000</u>	<u>11,817</u>	<u>24,817</u>
Balance payable at December 31, 1998	<u>\$14,000</u>	<u>\$ -</u>	<u>\$14,000</u>

The final payment on the 8.7% certificate of indebtedness of \$15,258, including interest was paid in March, 1999.



**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 7 - YEAR 2000 ISSUE**

The Fire District has completed an inventory of computers and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting its operations. They have identified such systems as being financial reporting and payroll.

The Fire District may need to upgrade its computer and accounting software. Total costs to upgrade, if necessary, will not exceed \$1,500.

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

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

I have audited the general purpose financial statements of the St. Tammany Parish Fire Protection District No. 13, for the year ended December 31, 1998 and 1997 and have issued my report thereon dated January 22, 2000.

I 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations and contracts applicable to St. Tammany Parish Fire Protection District No. 13, is the responsibility of the Fire District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed test of the St. Tammany Parish Fire Protection District No. 13 compliance with certain provisions of laws, regulations and contracts. However, the objective of my audit of the financial statements was to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

### **FINDING:**

The result of my tests disclosed that the Fire District did not comply with the requirement that the audited financial statements for the year ended December 31, 1998 and 1997 be submitted to the Legislative Auditor within six months of the year end. In my opinion, the Fire District's compliance with this requirement is necessary for the St. Tammany Parish Fire Protection District No. 13 to comply with state law.

Response: Future audit reports will be submitted timely.

**FINDING:**

The results of my tests disclosed that the Fire District did not comply throughout 1998 and 1997 with the requirement that bank balances maintained in excess of insurance coverage be collateralized. In my opinion, the Fire District's compliance with this requirement is necessary for the St. Tammany Parish Fire Protection District No. 13 to comply with state law.

Response: The Board of Commissioners will request the bank to pledged sufficient collateral.

**FINDING:**

The results of my inquires disclosed that the Fire District does not maintain records of general fixed assets and movable property. In my opinion the Fire District's compliance with this requirement is necessary for the St. Tammany Parish Fire Protection District No. 13 to comply with state law.

Response: The Fire District intends to research its prior records to ascertain costs and maintain an appropriate list.

**FINDING:**

The results of my tests disclosed that the fire district did not comply with the Local Budget Act. Capital outlays were not budgeted nor were any amendments to the budget prepared. In my opinion, the Fire District's compliance with this requirement is necessary for the St. Tammany Parish Fire Protection District No. 13 to comply with state law.

Response: The chief executive officer or equivalent will notify in writing the Board of Commissioners during the year when actual receipts plus projected revenue collections for the year failed to meet budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures to year end exceed budgeted expenditures by five percent or more.

I considered these instances of noncompliance in forming my opinion on whether the St. Tammany Parish Fire Protection District No. 13 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated January 22, 2000 on those general purpose financial statements.

St. Tammany Parish Fire Protection  
District No. 13  
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This report is intended for the information of the Board of Commissioners and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record and its distribution is not limited.

*Latuso, Inc.*

January 22, 2000

# Latuso, Inc. (APAC)

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

## AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROLS

I have audited the financial statements of St. Tammany Parish Fire Protection District No. 13 as of and for the years ended December 31, 1998 and 1997, and have issued my report thereon dated January 22, 2000.

I 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of St. Tammany Parish Fire Protection District No. 13 for the years ended December 31, 1998 and 1997, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the St. Tammany Parish Fire Protection District No. 13 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of component unit financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.



For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

Cash Receipts/Revenues  
Cash Disbursements

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of the Judges and Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record, and its distribution is not limited.

*Latuso, Inc.*

January 22, 2000



**ST. TAMMANY PARISH FIRE PROTECTION**

**DISTRICT NO. 13**

**SUPPLEMENTAL INFORMATION**

**YEARS ENDED DECEMBER 31, 1998 AND 1997**

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**SCHEDULE OF FEDERAL ASSISTANCE**

None

**SCHEDULE OF PER-DIEM PAID TO BOARD OF COMMISSIONERS**

None