

**ST. TAMMANY PARISH  
FIRE PROTECTION DISTRICT NO. 1  
Slidell, Louisiana**

**General Purpose Financial Statements  
and Independent Auditor's Report**

**As of and For the Year Ended December 31, 2003**

Under provisions of state law, this report is a public document. Copies of the report have been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-28-04

ST. TAMMANY PARISH  
FIRE PROTECTION DISTRICT NO. 1  
Slidell, Louisiana

General Purpose Financial Statements  
and Independent Auditor's Report

As of and For the Year Ended December 31, 2003

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**St. Tammany Parish Fire Protection District No. 1**  
Bibb, Louisiana

**Management's Discussion and Analysis**  
As of and For the Year Ended December 31, 2003

Our discussion and analysis of St. Tammany Fire Dist. #1's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2003.

**Financial Highlights**

- Total net assets decreased \$1,583,176 from 2002.
- General Revenue accounted for \$8,323,778 of total revenues of \$9,161,448. Program specific revenues in the form of charges for services and grants accounted for \$437,632 of revenues.
- In 2002, St. Tammany Fire Dist. #1 ad valorem tax revenues were \$7,098,231. Our ad valorem tax revenues were \$7,622,384 in 2003. The difference between the two is accounted for in the fact that the Parish Tax Assessor, who determines all ad valorem monies we receive, evaluated new properties and calculated our portion thereof.

**Using This Annual Report**

This report consists of a series of financial statements. In accordance with GASB Statement No. 34, as a special purpose government, the district's government-wide and fund financial statements are combined into two statements instead of four. The Statement of Net Assets and Statement of Activities columns provide information about the activities of the district as a whole and present a longer-term view of the district's finances. The Balance Sheet and Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances columns tell how these services were financed in the short-term as well as what remains for future spending.

**Reporting the District as a Whole**

The Statement of Net Assets and the Statement of Activities report information about the district as a whole and about its activities in a way that helps answer the question, "Is the district as a whole better off or worse as a result of the year's activities?" These statements include all assets and liabilities applying the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Revenues and expenses are recognized when earned or incurred regardless of when cash is received or disbursed. These two columns report the district's net assets and changes in them. Net assets are equal to assets (what the district owns) and liabilities (what the district owes). This is one way to measure the district's financial health or financial position. Other factors such as changes in the district's jurisdiction and continuing local, state and federal support must also be considered when assessing the overall health of the district.

**St. Tammany Parish Fire Protection District No. 1**  
**Slidell, Louisiana**

**Management's Discussion and Analysis, 2003**

The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

**Comparison to Prior Year**

It should be noted that comparative data is not a restatement of prior year financial statement amounts but is presented for additional analysis only. Truly comparative data from financial statements will be available in future years.

The District's most significant revenues are ad valorem taxes, fire insurance tax rebates and state revenue sharing.

The Fire District also received \$304,642 in 2003 from a FEMA Grant to purchase physical fitness equipment.

In November 2001, it came to light that the fire district had a "back pay" obligation to the employees, due to a pay increase previously approved by the board that was not implemented. During 2003, \$114,889 was paid leaving \$154,000 to be paid in 2004.

These comparisons are based on prior year numbers as if they had been adjusted for a Statement of Net Assets prepared in accordance with GASB 34.

**St. Tammany Parish Fire Protection District No. 1**  
**Slidell, Louisiana**

**Management's Discussion and Analysis, 2005**

	<u>Current Year</u>	<u>Firm Year</u>	<u>Variance</u>
<b>ASSETS</b>			
Cash	\$ 595,684	\$ 77,366	\$ 518,318
Investments	565,183	1,699,463	(1,134,280)
Taxes receivable	7,709,478	7,653,359	647,939
Other receivables	536,731	593,240	(56,794)
Prepayments	32,519	56,361	2,762
Investment in Communication System	528,890		528,890
Total noncapital	<u>9,979,485</u>	<u>9,448,494</u>	<u>18,115</u>
Land	415,142	415,342	-
Other capital assets, net of accumulated depreciation	3,462,884	3,678,232	(215,879)
Total capital	<u>3,877,946</u>	<u>4,093,425</u>	<u>(215,879)</u>
<b>Total Assets</b>	<b><u>\$ 13,857,335</u></b>	<b><u>\$ 13,534,919</u></b>	<b><u>\$ 322,426</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 129,227	\$ 168,294	\$ (39,067)
Provision deduction payable	225,744	208,409	(35,344)
Total short-term liabilities	<u>354,971</u>	<u>376,703</u>	<u>68,328</u>
Long-term liabilities:			
Due within one year	318,466		(318,466)
Due after one year	832,721		(832,721)
Total long-term liabilities	<u>1,151,187</u>	<u>-</u>	<u>(1,151,187)</u>
<b>Total Liabilities</b>	<b><u>\$ 1,327,158</u></b>	<b><u>\$ 458,179</u></b>	<b><u>\$ 1,056,979</u></b>
<b>FUND BALANCES/NET ASSETS</b>			
Net assets:			
Invested in capital assets, net of related debt	3,412,550	4,064,425	(681,875)
Unrestricted	8,211,607	8,999,315	(771,608)
Total net assets	<u>12,336,197</u>	<u>13,084,740</u>	<u>(754,543)</u>

**St. Tammany Parish Fire Protection District No. 1**  
**Slidell, Louisiana**

**Management's Discussion and Analysis, 2003**

The increase in noncapital assets of \$10,113 can be attributed to a combination of an increase in cash, decrease in investments, an increase in taxes receivable and the investment in a new communication system. The increase in taxes receivable is attributed to the increased in assessed taxes due to an increase in assessed valuation. The increase in capital assets is attributed to the purchase of approximately \$208,000 in fitness equipment funded by the FEMA grant and to the purchase of two new fire engines for \$570,288. The increase in long-term liabilities is attributed to the purchase of the fire engines under capital lease.

	<u>CY</u>	<u>PY</u>	<u>Variance</u>
<b>Expenditures/expenses:</b>			
Fire protection:			
Total expenditures/expenses	<u>\$ 8,190,121</u>	<u>\$ 1,308,919</u>	<u>\$ (1,390,800)</u>
Grants	204,642	-	204,642
Changes fire services	<u>250,810</u>	<u>258,981</u>	<u>(8,171)</u>
Total program revenues	<u>455,452</u>	<u>258,981</u>	<u>196,471</u>
Net program expense	<u>8,260,849</u>	<u>7,049,938</u>	<u>(1,213,111)</u>
<b>General revenues:</b>			
Property taxes	7,622,394	7,190,221	432,173
Fire Insurance Rebates	180,418	156,607	23,811
State Revenue Sharing	428,968	423,424	5,544
Investment earnings	47,711	78,284	(30,573)
Miscellaneous	<u>40,695</u>	<u>2,823</u>	<u>40,860</u>
Total general revenues	<u>8,320,176</u>	<u>7,851,359</u>	<u>468,817</u>
Change in net assets	60,727	881,413	(740,686)
<b>Fund balance/net assets:</b>			
Beginning of the year	12,558,275	13,091,962	(673,687)
Prior Period adjustment	<u>(88,885)</u>	<u>-</u>	<u>(88,885)</u>
End of the year	<u>\$ 12,208,197</u>	<u>\$ 13,091,379</u>	<u>\$ (1,206,178)</u>

**St. Tammany Parish Fire Protection District No. 1**  
**Slidell, Louisiana**

**Management's Discussion and Analysis, 2005**

Current year expenses net of depreciation of \$295,166 totaled \$8,485,813 compared to prior year of \$7,904,919 for an increase of \$1,898,696. The increase can be largely attributed to an \$886,900 increase in salaries and related expenses. This increase is due to a \$233,199 increase in group health insurance, a \$297,967 increase in pension fund contributions, the \$154,803 for back pay, and a \$201,423 increase in salaries and various other minor increases.

Program revenues increased by \$204,842 due to the FEMA grant.

General revenues increased by \$472,425 due to the increase in property taxes mentioned above.

**Future Considerations**

**Future Income:**

The major funding of the Fire District is its share of ad valorem taxes assessed by the St. Tammany Parish Tax Assessor's office and collected by the St. Tammany Parish Sheriff's office.

**Future Expenditures:**

As noted in the discussion above, several large expenditures occurred in 2005, which are now budgeted for (i.e. back-pay, insurance, and pension expense). Investments (Reserves) have allowed such items to be paid without any debt or other encumbrances.

"Capital" expenditures are those that are deemed to be material or have a future economic life of more than one year.

Larry Hess  
Incumbent Fire Chief

**MELISSA M.  
EUBANKS**

CERTIFIED PUBLIC ACCOUNTANT

**Independent Auditor's Report**

**Board of Commissioners  
St. Tammany Parish Fire Protection  
District No. 1  
Bibb, Louisiana**

I have audited the accompanying basic financial statements of the St. Tammany Parish Fire Protection District No. 1, a component unit of the St. Tammany Parish Council, as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of St. Tammany Parish Fire Protection District No. 1, management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the St. Tammany Parish Fire Protection District No. 1, as of December 31, 2003, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the Fire District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as of December 31, 2003.

The management's discussion and analysis and budgetary comparison information on pages 2 through 8 and 22 through 23, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.



Melissa M. Eubanks

June 3, 2004

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**St. Tammany Fire Protection District No. 1**  
**Slidell, Louisiana**  
**Statement of Net Assets and Governmental Funds Balance Sheet**  
**As of December 31, 2000**

	Balance Sheet	Adjustments	Statement of Net Assets
<b>ASSETS</b>			
Cash	\$ 393,684		\$ 393,684
Investments	583,183		583,183
Taxes receivable	7,780,478		7,780,478
Other receivables	356,751		356,751
Prepayments	32,513		32,513
Land	-	\$ 415,142	415,142
Other capital assets, net of accumulated depreciation	-	3,462,884	3,462,884
Investment in Communication System	33,188	498,612	531,800
<b>Total Assets</b>	<b>\$ 9,482,797</b>	<b>\$ 4,376,558</b>	<b>\$ 13,859,355</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 128,227		\$ 128,227
Salaries and benefits payable	-		-
Pension deduction payable	233,744		233,744
Accrued interest payable	-		-
Deferred revenues	772,273	\$ (772,273)	-
Due to Other Government	55,179	(55,179)	-
Long-term liabilities:			
Due within one year		318,466	318,466
Due after one year		852,721	852,721
<b>Total Liabilities</b>	<b>1,151,423</b>	<b>343,713</b>	<b>1,527,136</b>
<b>FUND BALANCES/NET ASSETS</b>			
Fund balances - Unreserved	8,298,374	(8,298,374)	-
<b>Total fund balances</b>	<b>8,298,374</b>	<b>(8,298,374)</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,482,797</b>		
<b>Net assets:</b>			
Invested in capital assets, net of related debt		3,412,558	3,412,558
Unrestricted		8,917,647	8,917,647
<b>Total net assets</b>		<b>\$ 12,330,205</b>	<b>\$ 12,330,205</b>

The accompanying notes are an integral part of these financial statements.

**City of Tallahassee Fire Protection District No. 1**  
**Tallahassee, Florida**  
**Statement of Activities and Governmental Fund Revenues,**  
**Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2005**

	Statement of Governmental Fund Revenues, Expenditures Changes in Fund Balances		Adjustments	Statement Activities
<b>Expenditures/expenses</b>				
<b>Fire protection:</b>				
Salaries and related expenses	\$	6,873,618	\$ 104,000	\$ 7,077,618
Repairs and Maintenance		230,121		230,121
Indemnification fees of volunteers/teams for services		225,799		225,799
Fire fighting equipment, supplies and related		333,758		333,758
Legal and professional services		252,620		252,620
Insurance		94,787		94,787
Depreciation			283,306	283,306
Amortization		21,991		21,991
Office supplies		40,000		40,000
Telephone and utilities		186,346		186,346
Miscellaneous		15,692		15,692
Capital outlay		691,897	(691,897)	-
Debt service:				
Principal		104,890	(104,890)	-
Interest		21,690		21,690
		<u>8,730,684</u>	<u>(949,683)</u>	<u>8,780,711</u>
<b>Grants</b>		264,642		264,642
<b>Charges for services</b>		211,628		211,628
		<u>417,670</u>	<u>580,000</u>	<u>471,670</u>
<b>Net program expense</b>				<u>8,261,640</u>
<b>General revenues:</b>				
Property taxes		6,830,111	713,170	7,543,281
Fire Insurance Rebate		120,438		120,438
State Revenue Sharing		426,888		426,888
Investment earnings		47,711		47,711
Miscellaneous		40,682		40,682
		<u>7,475,830</u>	<u>713,170</u>	<u>8,189,000</u>
<b>Other financing sources:</b>				
Proceeds from Capital Lease		170,288	(170,288)	-
		<u>690,940</u>	<u>69,940</u>	<u>-</u>
<b>Excess of revenues and other sources over expenditures Change in net assets</b>				<u>66,717</u>
<b>Fund balances/net assets:</b>				
Beginning of the year		8,990,013	3,387,968	12,377,975
Prior period adjustments (see Note 4)			(88,800)	(88,800)
End of the year	\$	<u>9,078,734</u>	<u>3,409,108</u>	<u>12,487,842</u>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH  
FIRE PROTECTION DISTRICT NO. 1  
Slidell, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended December 31, 2005

**INTRODUCTION**

The St. Tammany Parish Fire Protection District No. 1 was created by the St. Tammany Parish Council as provided by Louisiana Revised Statute 40:1491. 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 without compensation. The district operates seven fire stations within the district and provides fire protection services in an area covering approximately 130 square miles. In addition to fire protection service, the district also provides fire prevention service to the public.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the fire district is considered a component unit of the St. Tammany Parish Council. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into these financial statements or separately reported as discrete component units.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets) report information on all of the nonfiduciary activities of the fire district. Governmental activities are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**St. Tammany Parish Fire Protection  
District No. 1  
Slidell, Louisiana  
Notes to the Financial Statements, 2003**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

In 2003, the district implemented the provisions of the Governmental Accounting Standards Board Statement, Nos. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments* (Statement 34), 37, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Counties* (Statement 37), and 38, *Certain Financial Statement Note Disclosures* (Statement 38), which establish the financial reporting standards for all state and local government entities.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments are recorded only when payment is due.

Property taxes, state revenue sharing, charges for services and interest associated with the current fiscal period are all considered to be measurable to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The fire district reports one governmental fund, the General Fund. It is the entity’s primary operating fund and accounts for all financial resources of the entity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1988, generally are followed in the government-wide financial statements to the extent those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the entity’s policy to use restricted resources first then unrestricted resources as they are needed.

**St. Tammany Parish Fire Protection  
District No. 1  
Slidell, Louisiana  
Notes to the Financial Statements, 2003**

**Deposits and Investments**

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law allows the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments are reported at fair value when the difference between cost and market is considered material. The state investment pool (LA-IMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Receivables and Payables**

All trade and property tax receivables are shown net of a 3% allowance for uncollectibles. The allowance is based on prior years' experience.

Property taxes are levied on a calendar-year basis, become due on December 31 and are considered delinquent on January 1. The district authorized and levied a 30 mill ad valorem tax for operations and maintenance for the year ended December 31, 2003.

The following are the principal taxpayers and related property tax revenue for the entity:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Control LA Electric Co.	\$11,507,928	3.03
McKesson Corporate	8,008,060	2.89
BellSouth Telecommunications	7,184,048	2.87
Basic One Management Corp	4,469,680	1.16
Illornis National Bank	3,347,180	.87
Steele North Shore Limited	2,833,880	.88
Atmos Energy Louisiana	2,808,368	.83
Northshore Regional Medical Center	2,853,034	.83
Healthcare Prop. Partnership	1,808,520	.42
Wal-mart Real Estate Business	1,293,218	.41
<b>Total</b>	<u>\$44,936,648</u>	<u>11.78</u>

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**St. Tammany Parish Fire Protection**  
**District No. 1**  
**Slidell, Louisiana**  
**Notes to the Financial Statements, 2015**

**Capital Assets**

Capital assets, which include property, plant and equipment are reported in the government wide statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Fixed assets are based on actual costs. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The fire district maintains a threshold of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives in Years</u>
Buildings and building improvements	40
Vehicles	10 - 20
Equipment	10 - 40

**Compensated Absences**

Employees of the fire district are entitled to 15 to 30 days of annual leave each year, depending on length 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 050, is recognized as a current-year expense 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 050.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**St. Tammany Parish Fire Protection**  
**District No. 1**  
**Slidell, Louisiana**  
**Notes to the Financial Statements, 2002**

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**Reconciliation of Government-Wide and Fund Financial Statements**

The following reconciles the fund balances of governmental funds to the government wide statement of net assets.

Fund Balance	\$8,289,374
Adjustments:	
Capital assets, net of accumulated depreciation	3,877,848
Long-term debt	(1,116,089)
Deferred revenue	173,279
Investments in communication system	<u>496,812</u>
Net Assets	<u>\$11,338,157</u>

The following reconciles the net changes in fund balances to the changes in net assets of governmental activities:

Excess of revenues over expenditures	(\$699,941)
Adjustments:	
Debt service payments applied to debt	184,882
Capital outlay reclassified to capital assets	883,887
Proceeds from capital lease	(379,285)
Depreciation	(295,186)
Deferred revenue recognized	733,273
Accrued salaries	<u>(124,089)</u>
Change in net assets	<u>\$89,727</u>

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The fire district published the proposed budget for the General Fund in the official journal on December 12, 14 and 17, 2002. A public hearing was held on December 26, 2002 and the board adopted the budget on December 30, 2002. The budget is prepared using the cash basis of accounting. All appropriations lapse at year end. Formal budget integration within the accounting records is not employed as a management control device during the year. However, the board reviews budget variances

**St. Tammany Parish Fire Protection  
District No. 1  
Slidell, Louisiana  
Notes to the Financial Statements, 2003**

actual reports on a monthly basis. Changes or amendments are made upon approval of the board. There were no amendments for the year ended December 31, 2003.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

Also see Note 1 for additional disclosures required by GASB Statement No. 3. At December 31, 2003, the fire district has cash and cash equivalents (book balances) totaling \$225,684 as follows:

Interest-bearing demand deposits	225,584
Other	100
Total	<u>\$225,684</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 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, 2003, the fire district has \$701,320 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$601,320 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1129 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 4 – INVESTMENTS**

Also see Note 1 for additional disclosures required by GASB Statement No. 3. Investments are categorized in these three categories of credit risk:

1. Insured or registered, or securities held by the entity or its agent in the entity's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the entity's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the entity's name.



**St. Tammany Parish Fire Protection  
District No. 1  
Slidell, Louisiana  
Notes to the Financial Statements, 2001**

Type of Investment	Category			Fair Value	Cost	Total Carrying Amount
	1	2	3			
FRELMC		\$495,443		\$501,318	\$495,443	\$495,443
Investments not subject to categorization:						
External investment pool				65,748	65,748	65,748
<b>Total Investments</b>				<u>\$567,066</u>	<u>\$561,191</u>	<u>\$561,191</u>

The difference between fair value and cost is considered immaterial.

In accordance with GASB Codification Section 258.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.123 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-RS 33:2935. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by these securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 711, Act 701 enacted LSA-RS 33:2935 (A)(1)(b) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 387 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share.

**St. Tammany Parish Fire Protection  
District No. 1  
Eidell, Louisiana  
Notes to the Financial Statements, 2003**

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

**NOTE 5 – RECEIVABLES**

The receivables of \$8,232,228 at December 31, 2003 are as follows:

<u>Class of Receivable</u>	<u>Amount</u>
Taxes – ad valorem	27,706,418
Intergovernmental – grants – state	425,000
Accounts	54,000
Other	33,791
<b>Total</b>	<b><u>28,232,228</u></b>

**NOTE 6 – CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2003, is as follows:

	<u>Beginning Balance</u>	<u>Adjustment</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$418,142				\$418,142
Construction in progress					
Total capital assets, not being depreciated	<u>418,142</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>418,142</u>
Capital assets being depreciated:					
Buildings	2,138,048				2,138,048
Equipment and furniture	3,481,008	(868,808)	\$683,887	(279,325)	4,116,029
Total capital assets being depreciated	<u>5,629,056</u>	<u>(868,808)</u>	<u>683,887</u>	<u>(75,325)</u>	<u>6,327,724</u>
Less accumulated depreciation for:					
Buildings	(736,465)		(53,481)		(790,946)
Equipment and furniture	(1,821,374)		(245,625)	75,025	(2,091,974)
Total accumulated depreciation	<u>(2,567,839)</u>	<u>None</u>	<u>(299,106)</u>	<u>75,025</u>	<u>(2,994,920)</u>
Total capital assets being depreciated, net	<u>\$3,061,217</u>	<u>(868,808)</u>	<u>\$384,781</u>	<u>None</u>	<u>\$3,877,548</u>

**St. Tammany Parish Fire Protection  
District No. 1  
Slidell, Louisiana  
Notes to the Financial Statements, 2003**

Depreciation expense of \$295,165 for the year ended December 31, 2003, was charged to fire protection. A prior period adjustment of \$88,983 was recorded to adjust fixed asset to the detailed asset records.

**NOTE 7 – INVESTMENT IN COMMUNICATION SYSTEM**

On August 13, 2003, the district signed a cooperative endeavor agreement with the City of Slidell whereby the district receives use of the City's communication system and radios. Under the agreement, beginning July 1, 2004, the district is obligated to make ten annual payments of \$25,179 for a total of \$251,790 for its share of the system and radios. Additionally, the district is required to make annual payments for maintenance beginning July 1, 2003. The first three payments are set at \$14,298. Beginning July 1, 2005, the payment will be based on the City's renegotiated maintenance contract. The financial statements include an asset and an obligation for the district's share in the system. The asset will be amortized over 10 years. Amortization for the year ended December 31, 2003 is \$21,791. The maintenance contract expense will be expensed annually.

**NOTE 8 – ACCOUNTS AND OTHER PAYABLES**

The payables of \$155,971 at December 31, 2003, are as follows:

Sheriff's Pension Payable	\$225,194
Accounts	<u>120,227</u>
Total	<u>\$345,421</u>

**NOTE 9 – LEASES**

The fire district records items under capital leases as an asset and an obligation in the accompanying financial statements. On November 4, 2002, the fire district entered into a capital lease agreement for the purchase of two fire trucks for a five-year term at an annual interest rate of 4.19%.

The following is a schedule of changes in long-term debt, capital leases:

Balance, December 31, 2002	None
Additions	\$170,288
Deductions	<u>(184,857)</u>
Balance, December 31, 2003	<u>\$45,431</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of December 31, 2003:

St. Tammany Parish Fire Protection  
District No. 1  
Slidell, Louisiana  
Notes to the Financial Statements, 2003

Fiscal Year:	Equipment
2004	\$128,787
2005	128,787
2006	128,787
2007	128,787
Total minimum lease payments	515,148
Less - amounts representing interest	(49,732)
Present value of net minimum lease payments	<u>\$465,416</u>

**NOTE 10 - PENSION PLAN**

**Pan Description**

All full-time employees of the fire district 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 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 58 with at least 10 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 joint 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 94895, Baton Rouge, Louisiana 70804, or by calling (504) 933-4268.

**Funding Policy**

For the twelve months ended December 31, 2003, members of the System are required to contribute 5% of their annual covered salary and the district (employer) is required to contribute at an actuarially determined rate. For the year ended December 31, 2003, the employer contribution rate was as follows:

**St. Tammany Parish Fire Protection  
District No. 1  
Slidell, Louisiana  
Notes to the Financial Statements, 2003**

January	18.27%
February	18.27%
March	9%
April	18.27%
May	18.27%
June	18.27%
July	21.08%
August	21.08%
September	21.08%
October	9%
November	9%
December	9%

The contribution requirements of plan members and the district are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:118, 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 amount of the fire district's employer contributions to the System for the years ended December 31, 2003, 2002 and 2001 were \$760,806, \$467,889, and \$649,830, respectively, equal to the required contributions.

It should be noted that there is active litigation, which will determine whether fire districts will be reimbursed for some of the required contributions.

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS**

The district provides post employment health care coverage for all retirees. The district pays fifty percent of the retirees' premiums. Spouses and dependents are not included. For the year ended December 31, 2003, the district paid \$16,519 on behalf of six retirees.

**NOTE 12 – RISK MANAGEMENT**

The district is exposed to all common perils associated with fire protection. To minimize loss occurrence and to transfer risk, the district carries various commercial insurance policies including property, casualty, employee dishonesty, public official's liability, business auto and other miscellaneous policies. These policies are reviewed for adequacy by management annually.

**NOTE 13 – CONTINGENT LIABILITIES**

At December 31, 2003, the fire district is involved in four lawsuits. The legal advisors for the district estimate the possible total loss to be \$736,806. The legal advisors are unable to estimate the ultimate resolution of each matter. Consequently, no liability has been recorded in the accompanying financial statements. All of the claims are potentially within the district's insurance coverage limits.

## Required Supplemental Information

**St. Tammany Fire Protection District No. 1**  
**Slidell, Louisiana**  
**Budget Comparison Schedule**  
**For the Year Ended December 31, 2003**

	<u>Original Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Ad Valorem Taxes	\$7,123,260	\$ 6,974,065	\$ (149,195)
Percentage Deduction	<u>(200,408)</u>	<u>(200,400)</u>	<u>-</u>
	6,924,852	6,774,665	(150,187)
Interest Income			
Checking interest		4,946	4,946
LAMP interest		732	732
Investment interest	<u>123,808</u>	<u>69,796</u>	<u>(54,012)</u>
	123,808	68,124	(55,684)
Reimbursements			
Dispatch cost reimbursement	297,145	286,292	(10,853)
Haz mat reimbursement		3,652	3,652
	<u>297,145</u>	<u>289,944</u>	<u>(7,201)</u>
Training revenue		70	70
State revenue sharing	425,000	424,990	(10)
Fire insurance taxes	168,000	169,474	1,474
Miscellaneous revenues		21,600	21,600
Fire prevention income		3,392	3,392
Insurance reimbursement - radios		88,173	88,173
FEMA grant	<u>204,000</u>	<u>204,642</u>	<u>642</u>
<b>Total revenues</b>	<b>8,136,000</b>	<b>7,963,994</b>	<b>(172,006)</b>
<b>Expenditures</b>			
Bank charges		4,391	(4,391)
Contingency fund	242,185	4,173	237,992
Dues, subscriptions, and memberships	6,675	41,412	(34,737)
Employee education	43,300		43,300
Expendables			
Haz mat expendables	59,060	3,817	4,243
Rescue expendables	<u>33,982</u>	<u>26,798</u>	<u>7,184</u>
	66,025	32,613	33,412

**St. Tammany Fire Protection District No. 1**  
**Slidell, Louisiana**  
**Budget Comparison Schedule**  
**For the Year Ended December 31, 2003**

Fire prevention	12,000	11,600	995
Gas & Diesel	42,000	40,330	1,448
Human resources		37,665	(37,665)
Group health insurance	687,575	773,424	(85,849)
Interest expense		10	(10)
Janitorial expense		210	(210)
Legal services	50,000	76,258	(26,258)
Maintenance and repairs			-
Building maintenance	38,300	34,813	1,687
Computer maintenance	50,000	38,129	11,871
Equipment maintenance	100,000	148,137	(48,137)
Maintenance contracts	30,000	16,208	13,792
	<u>218,300</u>	<u>248,177</u>	<u>(31,877)</u>
Miscellaneous		3,411	(3,411)
Office supplies	50,420	45,452	4,968
Payroll taxes			-
Medicare taxes	50,380	54,695	1,685
Unemployment taxes	1,000	2,528	(1,528)
	<u>60,380</u>	<u>59,223</u>	<u>1,157</u>
Pension fund expense	954,806	943,128	148,678
Professional services	53,960	111,880	(55,920)
Salary equipment	166,200	145,252	19,948
Salaries & Wages	3,031,369	3,011,990	19,399
Special events		80	(80)
Station supplies	14,000	4,743	9,257
Telephone	47,800	42,029	4,971
Training expense		2,591	(2,591)
Utilities	57,000	61,082	(4,082)
Uniforms		4,481	(4,481)
Volunteers	<u>3,000</u>	<u>311</u>	<u>4,689</u>
<b>Total expenditures</b>	<u><b>3,838,405</b></u>	<u><b>7,197,650</b></u>	<u><b>341,755</b></u>
	<u><b>296,405</b></u>	<u><b>166,144</b></u>	<u><b>(60,799)</b></u>



**St. Tammany Fire Protection District No. 1**  
**Slidell, Louisiana**  
**Budget Comparison Schedule**  
**For the Year Ended December 31, 2003**

<b>Capital Outlay</b>			
Firefighting equipment	33,683	37,306	16,099
Rescue equipment	4,380	10,758	(6,438)
Haz Mat equipment		1,326	(1,326)
Office equipment		679	(679)
Station equipment		2,852	(2,852)
Station furniture	34,830	9,692	25,468
Vehicles		6,408	(6,408)
Computers		3,848	(3,848)
Fitness equipment	286,000	201,814	1,096
<b>Total capital outlay</b>	<u>295,493</u>	<u>278,283</u>	<u>26,178</u>
	-	66,838	(66,838)
<b>Dedicated Funds</b>			
Lease Payment - Radio Equipment	83,000	14,353	76,647
Lease Payment - New Pumps	129,600	128,787	213
Workers' Comp Insurance	210,763	254,875	(43,412)
General Liability Insurance	95,000	97,539	(66)
FEMA Grant	88,000	-	88,000
Exercise Equipment Room	25,600	-	25,600
Firefighting Tools - New Pump	180,000	33,333	48,667
Building Fund	242,323	988	281,537
<b>Total Dedicated Funds</b>	<u>1,118,286</u>	<u>543,175</u>	<u>375,113</u>
<b>Net Loss - Cash Basis</b>	(1,118,286)	(457,314)	(668,972)
<b>Reconciliation to GAAP Basis:</b>			
Current Year Deferred Revenue		(372,273)	
Amortization of Investment in Comm. System		(22,997)	
Current Year Receivables		1,289,742	
Prior Year Receivables		(3,672,865)	
Current Year Payables		(355,972)	
Prior Year Payables		<u>308,738</u>	
<b>Net Income - GAAP Basis - Fund Statement</b>		<u>\$ (899,941)</u>	

ST. TAMMANY PARISH  
FIRE PROTECTION DISTRICT NO. 1  
Slidell, Louisiana

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

For the Year Ended December 31, 2002

The fire district published the proposed budget for the General Fund in the official journal on December 12, 14 and 17, 2002. A public hearing was held on December 30, 2002 and the board adopted the budget on December 30, 2002. The budget is prepared using the cash basis of accounting. All appropriations lapse at year end. Formal budget integration within the accounting records is not employed as a management control device during the year. However, the board reviews budget versus actual reports on a monthly basis. Changes or amendments are made upon approval of the board. There were no amendments for the year ended December 31, 2002.

## **Other Supplemental Schedules**

**St. Tammany Fire Protection District No. 1**  
**Slidell, Louisiana**

**Schedule of Compensation Paid Board Members**

**For the Year Ended December 31, 2009**

**Board members serve without compensation.**

## Other Reports

**MELISSA M.  
EUBANKS**

CERTIFIED PUBLIC ACCOUNTANT

June 8, 2004

**Independent Auditor's Report on Compliance and  
On Internal Control Over Financial Reporting,  
Based on an Audit of Basic Financial Statements  
Performed in Accordance with Government Auditing  
Standards**

I have audited the accompanying basic financial statements of the St. Tammany Parish Fire Protection District No. 1, a component unit of the St. Tammany Parish Council, as of and for the year ended December 31, 2003, as listed in the table of contents. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether St. Tammany Parish Fire Protection District No. 1's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 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 opinions on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 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 over financial reporting and its operation that I consider to be material weaknesses.

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**Independent Auditor's Report on Compliance and  
On Internal Control...Government Auditing Standards**  
Page Two

This report is intended solely for the information and use of management, the board of commissioners and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Melissa M. Eubanks  
June 8, 2004

ST. TAMMANY PARISH  
FIRE PROTECTION DISTRICT NO. 1  
Erick, Louisiana

CURRENT YEAR FINDINGS, RECOMMENDATIONS  
AND CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2003

**Summary Schedule of Auditor's Results:**

1. The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the authority.
2. No reportable conditions required to be reported in the Independent Auditor's Report on Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the authority, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No management letter was issued.



**ST. TAMMANY PARISH  
FIRE PROTECTION DISTRICT NO. 1  
Slidell, Louisiana**

**STATUS OF PRIOR AUDIT FINDINGS**

For the Year Ended December 31, 2005

**2002-1 – Fixed Asset Controls**

**Fiscal Year Finding Initially Occurred**  
2002

**Condition**  
Master list is not being properly maintained.

**Corrective Action Taken**

St. Tammany Fire District # 1 has recently contacted new controls to ensure the accuracy of fixed assets. We have also combined our efforts with an outside accounting firm and are complying with the latest accounting standards including GASB 34.

**2002-2 and 2002-5 – Inadequate Segregation of Duties**

**Fiscal Year Finding Initially Occurred**  
2001

**Condition**  
The size of the fire district'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 Taken**

We have outsourced our Human Resource and accounting activities. This initiative places the day-to-day business resource management with an outside agency, while the district provides for the oversight of checks and balances for the system.

**2002-3 – Advance Payment Made on Consulting Contract**

**Fiscal Year Finding Initially Occurred**  
2002

**Condition**  
Summary - The fire district...by making a \$9,000 advance payment to a consulting firm. Additionally the formal contract had not yet been signed by the accounting firm.

**St. Tammany Parish  
Fire Protection District No. 1  
Slidell, Louisiana**

State Office Audit Findings, 2003

**Corrective Action Taken**

The district maintains that this was not a violation, but a retainer used for the initial costs involved in setting up the parameters of the district and that these costs do not fall under the public bid law. The district understands and commits to the practice of waiting until services are fully delivered before payment is made.

**2002-4 - Audit Report Issued Late**

**Fiscal Year Finding Initially Occurred**  
2002

**Condition**

The 2002 audit report was late.

**Corrective Action Taken**

We have complied with this finding by advertising for bids earlier in the year and having the selected firm authorized by the Legislative Auditor. The district is committed to meeting future deadlines.

**2002-5 - Reimbursement of Dispatch Costs**

**Fiscal Year Finding Initially Occurred**  
2001

**Condition**

Fire District No. 1 needs to pursue collection of the amounts to be received for reimbursement from each fire district in a more timely manner.

**Corrective Action Taken**

Resolved (The fire district, in conjunction with our accounting firm, has implemented monthly billing to the various districts in efforts to pursue collections in a timely manner.)

**2002-6 - Policies and Procedures of the Fire District and its Board of Commissioners**

**Fiscal Year Finding Initially Occurred**  
2001

**Condition**

The district needs to strengthen its documentation of its procedures in the area of general transaction processing, record retention, and record maintenance. The district should ensure that minutes of board meetings are properly recorded and maintained.

**St. Tammany Parish  
Fire Protection District No. 1  
Slidell, Louisiana**

**Status Of Prior Audit Findings, 2003**

**Corrective Action Taken**

The fire district has been working diligently with the third party administrator in correcting its policies and procedures regarding documentation control. We are constantly making positive changes and ensuring uniform enforcement. All resolutions are clearly defined and are a part of the Board of Commissioner meetings. We have audio and/or video tapes of meetings. These are kept indefinitely in a storage cabinet.

**1992-02 – Hiring of Legal Counsel**

**Fiscal Year Finding Initially Occurred**  
2004

**Condition**

The auditor was not able to acquire a written copy of the Board resolution authorizing the hiring of the district's legal counsel.

**Corrective Action Taken**

The fire district has addressed this issue and new counsel has been retained by Board resolution.

**2002-15 – Unauthorized Expenditure of Public Funds**

**Fiscal Year Finding Initially Occurred**  
2001

**Condition**

In December 1998, the district paid \$146,853 of the actuarial accrued liability on the retirement account balances of five of its administrative employees. The liability was the result of the merger of the Parishial Employees' Retirement System and the Firefighters' Retirement System. A portion was to be paid by the employer and the employee.

**Corrective Action Taken**

This issue is currently being adjudicated.

**Auditor's Note**

The prior audit report indicated that the finding numbers missing in the sequence above were resolved.