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**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
COMPONENT UNIT FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

Under provisions of state law, this report is a public document. A copy of the report has 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 8-11-04

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Skarda & Silva, L.L.P.

Certified Public Accountants

4331 Iberville Street

Mandeville, LA 70471

Steven A. Skarda, C.P.A.

Brent A. Silva, C.P.A.

(985) 626-8299, Main

(985) 626-9767, Fax

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the St. Tammany Parish Fire Protection District No. 12 as of December 31, 2003 and for the two years then ended as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the St. Tammany Parish Fire Protection District No. 12 as of December 31, 2003, and the results of its operations for the two years then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statements No. 33, Accounting and Financial Reporting for Nonexchange Transactions, Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments, No. 35 an amendment to No. 34, No. 36 an amendment to No. 33 and No. 37 an amendment to 34. This results in a change to the District's method of accounting for certain nonexchange revenues and a change in format and content of the basic financial statements.

The management's discussion and analysis and budgetary comparison information on pages 3 through 4 and 24 through 25, 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. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 2004 on our considerations of St. Tammany Parish Fire Protection District No. 12's internal control structure and on its compliance with laws and regulations.

Our audits were made for the purpose of forming an opinion on the basic financial statements of the St. Tammany Parish Fire Protection District No. 12 taken as a whole. The accompanying Schedule of Compensation Paid to Board of Commissioners is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Standa & Silva, LLP
May 21, 2004



FD12

St. Tammany Fire District 12
115 Northpark Boulevard
Covington, LA 70433
504-892-5161

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

This section of the St. Tammany Parish Fire Protection District No. 12 (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended December 31, 2003. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which follow this section.

The Management's Discussion and Analysis is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34 issued June 1999. As this is the first year that the District has implemented this model, certain comparative information with the previous year, which is by design included in this reporting model, will not be included in the analysis as permitted by GASB Statement No. 34 with respect to first year reporting.

FINANCIAL HIGHLIGHTS

A summary of the basic government-wide financial statements is as follows:

SUMMARY OF STATEMENT OF NET ASSETS

ASSETS:	
Other Assets	\$ 2,254,602
Capital Assets, net of accumulated depreciation	<u>1,559,641</u>
Total Assets	<u>3,814,243</u>
LIABILITIES:	
Other Liabilities	140,042
Long-term Liabilities	<u>763,447</u>
Total Liabilities	<u>903,489</u>
NET ASSETS	<u>\$ 2,910,754</u>

SUMMARY OF STATEMENT OF ACTIVITIES

REVENUES:	
General Revenues	
Ad Valorem Taxes	\$ 1,964,101
Other Revenues	<u>253,896</u>
Total Revenues	2,217,997
EXPENSES:	
Program Expenses	<u>1,919,135</u>
CHANGE IN NET ASSETS	<u>\$ 298,862</u>

The change in net assets indicates an increase of \$298,862. This increase is partially attributed to an increase in the ad valorem taxes received over the estimated amount. The District initiated a policy to record capital assets with a purchase price in excess of \$500.

Revenues, net of the grants received in 2003, increased by 21% in comparison to the 2002 revenues. The increase is primarily due to the growth of residences in the district.

Revenues increased by 366,147 and expenses increased by 238,351 as compared to 2002. The net effect was an increase of 127,797 of revenues over expenses as compared to the results of 2002.

The District applied for a Fema grant in the amount of 110,000. If the grant is received, the District will need to apply 10% of its funds to match the grant. A new station is being construction that has an estimated cost of 250,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual revenues exceeded the budgeted amount by \$171,348 while expenditures were \$67,194 in excess of budgeted amounts. The increase in revenues is attributed to the increase of the property tax assessments indicated on the assessors tax roll.

Over the course of the year, the District revised its budget once.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or request for additional information may be directed to Darryl Guillot, Fire Chief, St. Tammany Parish Fire Protection District No. 12 located at 115 Northpark Boulevard, Covington, LA 70433.

**ST TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
STATEMENT OF NET ASSETS
DECEMBER 31, 2003**

ASSETS

Cash and cash equivalents	\$ 259,031
Receivables	1,972,354
Capital assets - net of accumulated depreciation	1,559,641
Prepaid insurance	21,967
Deposits	<u>1,250</u>
Total Assets	3,814,243

LIABILITIES

Accounts payable	11,318
Salary benefits payable	121,252
Accrued interest	7,472
Long-term liabilities	
Due within one year	110,434
Due after one year	<u>653,014</u>
Total Liabilities	903,490

NET ASSETS

Invested in capital assets - net of debt	1,556,107
Restricted assets	22,658
Unrestricted assets	<u>1,331,988</u>
Total Net Assets	<u>\$ 2,910,753</u>

The accompanying notes are an integral part of this statement.

**ST TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>PROGRAM REVENUES</u>			
	<u>CHARGES</u>			
	<u>EXPENSES</u>	<u>FOR</u>	<u>OPERATING</u>	
		<u>SERVICES</u>	<u>GRANTS</u>	<u>TOTAL</u>
EXPENSES				
Public safety - fire protection:	\$ 1,919,135	\$ -	\$ 112,107	\$ (1,807,028)
Total governmental activities	\$ 1,919,135	\$ -	\$ 112,107	(1,807,028)
 GENERAL REVENUES				
Ad valorem taxes				1,964,101
Intergovernmental revenues:				
State revenue sharing				86,283
Fire insurance tax				51,500
Interest income				<u>4,006</u>
Total general revenues				<u>2,105,890</u>
Changes in net assets				298,862
Net assets - beginning of year, as previously reported				1,986,406
Adjustments to net assets:				
Capitalize assets and accumulated depreciation as of December 31, 2002				1,493,563
Compensated absences as of December 31, 2002				(56,078)
Certificate of Indebtedness as of December 31, 2002				<u>(812,000)</u>
Net assets - beginning of year, as restated				<u>2,611,891</u>
Net assets - end of year				<u>\$ 2,910,753</u>

The accompanying notes are an integral part of this statement.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
BALANCE SHEETS - GENERAL FUND
DECEMBER 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
ASSETS		
Cash and cash equivalents	\$ 259,031	\$ 96,553
Receivables:		
Ad valorem taxes, net of allowance for uncollectible taxes of \$100,412	1,907,821	1,865,546
State revenue sharing	64,533	43,774
Deposits	1,250	1,100
Prepaid expenditures	<u>21,967</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 2,254,602</u>	 <u>\$ 2,006,973</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 11,318	\$ -
Accrued interest	7,472	20,567
Accrued payroll and benefits	<u>121,252</u>	<u>-</u>
 Total liabilities	 140,042	 20,567
 Fund Balance		
Reserve for depreciation and contingency fund	22,658	22,658
Undesignated	<u>2,091,902</u>	<u>1,963,748</u>
 Total fund balance	 <u>2,114,560</u>	 <u>1,986,406</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 2,254,602</u>	 <u>\$ 2,006,973</u>

The accompanying notes are an integral part of these statements.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2003**

Fund balances - Total governmental fund		\$ 2,114,560
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Governmental capital assets	\$ 2,229,862	
Less accumulated depreciation	<u>670,221</u>	1,559,641
Long term liabilities are not due and payable in the current period; therefore, they are not reported in the funds. Long term liabilities consist of the following:		
Compensated absences	\$ (64,915)	
Certificate of indebtedness	(695,000)	
Capital lease obligations	<u>(3,533)</u>	<u>(763,448)</u>
Net assets of governmental activities		<u><u>\$ 2,910,753</u></u>

The accompanying notes are an integral part of this statement.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
 STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - GENERAL FUND
 FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
REVENUES		
Ad valorem taxes	\$ 1,964,101	\$ 1,659,670
State revenue sharing	86,283	43,773
2% fire insurance tax	51,500	26,834
Interest income	4,006	9,466
Grant income	<u>112,107</u>	<u>-</u>
Total revenues	2,217,997	1,739,743
EXPENDITURES		
Personnel services and benefits	1,217,148	1,011,448
Contracted services	66,119	10,951
Legal and professional	36,015	49,982
Insurance	230,858	236,529
Repairs and maintenance	31,650	49,289
Station supplies	61,347	60,332
Office	21,619	32,111
Other	808	249
Occupancy	69,427	68,067
Fire prevention education and training	29,545	48,066
Fuel and oil	23,577	19,514
Dues, taxes and licenses	3,844	2,197
Travel and meals	1,569	3,200
Capital outlay	54,116	13,988
Grant outlays	112,107	-
Lease	10,699	8,599
Interest	2,395	10,864
Debt Service	<u>141,000</u>	<u>138,000</u>
Total expenditures	2,113,843	1,763,386
Excess (deficiency) of revenues over expenditures	104,154	(23,643)
OTHER FINANCING SOURCES		
Proceeds from long-term obligations	<u>24,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources	128,154	(23,643)
Fund balance-beginning of year	<u>1,986,406</u>	<u>2,010,049</u>
Fund balance-end of year	<u>\$ 2,114,560</u>	<u>\$ 1,986,406</u>

The accompanying notes are integral part of these statements.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL
 FUND TO STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2003**

Net changes in fund balances - Total governmental fund	\$	128,154
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Governmental capital assets	166,223	
Less accumulated depreciation	<u>(106,200)</u>	60,023
Debt used in governmental activities are not financial uses and therefore are not reported in the funds		
Debt related to the capital assets		117,000
Compensated absences used in governmental activities are not financial uses and therefore are not reported in the funds		
Compensated absences		(8,837)
Capital lease obligations used in governmental activities are financial uses and therefore are reported in the funds		
Capital lease obligation		<u>2,522</u>
Net assets of governmental activities	<u>\$</u>	<u>298,862</u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Tammany Parish Fire Protection District No. 12, (the “District”) was established by the St. Tammany Parish Police Jury Ordinance No. 706 in April 1977. The District serves the area of Ward 3 of St. Tammany Parish, Louisiana, but excluding the corporate limits of the City of Covington. The District is governed by a Board of Commissioners consisting of five resident taxpayers, as provided by Louisiana Revised Statute 40:1496. The St. Tammany Parish Police Jury appoints the commissioners to two-year terms. Vacancies are filled by the bodies making the original appointments. The District is operated as a component unit of the St. Tammany Parish Police Jury.

Fire protection districts are created for the purpose of acquiring, maintaining, and operating facilities, machinery, equipment, water tanks, water hydrants, water lines, and other things necessary to provide *proper fire protection and control of the property within the District*. The District interacts with the Covington Volunteer Fire Department to carry out its objective.

The financial statements of the St. Tammany Parish Fire Protection District No. 12 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. The more significant of the government’s accounting principles are described below.

Reporting Entity

The financial statements of the St. Tammany Parish Fire Protection District No. 12 include all funds, account groups and activities that are within the oversight responsibility of the District. Certain units of local government, over which the District exercises no oversight responsibility such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the Parish, are excluded from the accompanying component unit financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the District.

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 (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.

Governmental Accounting Standards Board 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. 12
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

- a) Appointing a voting majority of an organization's governing body, and the ability of the police jury to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burden on the organization.
- b) Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- c) 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.

St. Tammany Parish Fire Protection District No. 12 is considered a component unit of the financial reporting entity because the commissioners of the District are appointed by the St. Tammany Parish Police Jury. The accompanying financial statements present information only on the funds maintained by the St. Tammany Parish Fire Protection District No. 12 and do not present information on the Police Jury, the general government services provided by the Police Jury, or other governmental units that comprise the financial reporting entity.

Basis of Presentation and Accounting

In June 1999, the Governmental Accounting Standards Board (GASB) approved Statement No. 34. The District has implemented the provisions of this statement for the year ended December 31, 2003. The implementation of these statements has created additional statements, schedules, reports and note disclosures as follows:

Management Discussion and Analysis (MD&A) section providing an analysis of the overall financial position and results of operations.

Financial statements are prepared using the full accrual accounting methods:

Depreciation is recorded on depreciable assets and assets are recorded net of accumulated depreciation.

The basic financial statements include Government-Wide Statements and Fund Financial Statements, as explained in the following note disclosures:

Government-Wide Statements

The statement of net assets and the statement of activity display information about the District. The District's activities are financed through taxes, intergovernmental revenues, and other non exchange transactions. The governmental-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes and are recorded in the year assessed. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Assets used in operation with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, leasehold improvements, and building are depreciated over their estimated useful lives. Depreciation is not calculated on land, land improvements or construction in progress. Accumulated depreciation is recorded at net of depreciable assets in the Statement of Net Assets.

The statement of activities presents a comparison between direct expenses and program revenues for the activities of the District. Program revenues consist of charges for services which are revenue from exchanges or exchange like transactions with external parties that purchase, use or directly benefit from the program's goods, services, or privileges. These revenues include fees charged for emergency medical services. Program revenues also consist of operating grants and contributions which are resources restricted for operating purposes of a program. These include grants and contributions with restriction that permit the resources to be used for a program's operating of capital needs at the recipient government's discretion.

The financial statements of the St. Tammany Parish Fire Protection District No. 12 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.

Fund Accounting

The District uses funds to report on its financial position and the result of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity using the modified accrual method to report revenues and expenditures.

Funds of the District 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, and the renovation a fire station. The only fund in 2003 and 2002 for the District was the General Fund which is the operating fund. The General Fund accounted for all of the financial resources including renovation of a fire station.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included on the balance sheet. The operating statement of the fund presents increases (i.e., revenues and other sources) and decreases (i.e., expenditures and other uses) in net current assets.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues of the District susceptible to accrual are ad valorem taxes, insurance taxes, state revenue sharing, and interest. Substantially all other revenues are recorded when received.

Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year for the general fund. Formal budgetary accounting is not employed for the debt service fund because effective control is alternatively achieved through the indenture provisions of the Certificate.

The budget is adopted for the general fund on a basis consistent with generally accepted accounting principles (GAAP). All appropriations, which are not expended, lapse at year-end.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

Cash and Cash Equivalents

Cash includes amounts in demand deposits and certificates of deposits, if any.

Louisiana revised statutes authorize the District to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-R.S. 39:1271, or any other federally insured investments or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies.

Prepaid Expenses

Prepaid expenses represent the unused portion of insurance policies in effect at the balance sheet date.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Fixed Assets

Fixed assets are recorded as expenditures at the time of purchase and the related assets are capitalized. All purchased fixed assets are valued at cost where historical records are available and at estimated historical costs where no historical records exist. Donated fixed assets, if any, are valued at their estimated fair market value on the date received. 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. Assets over \$1,000 are capitalized.

Depreciation is computed using the straight-line method over the following estimated lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40 years
Leasehold improvements	40 years
Furniture and fixtures	5 years
Fire-fighting equipment	10 years
Transportation equipment (fire truck, ambulance)	15 years

Use of Estimates in the Preparation of Financial Statements

The preparation of the District's financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities as of December 31, 2003 and 2002. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in 2003 and 2002 financial statements.

Allowance for Uncollectible Receivables

The District's primary revenue source, ad valorem taxes, become delinquent if not paid by March 1 following the year of assessment. Unpaid taxes attach as an enforceable lien on property. The Board of Commissioners determined, based on prior historical information, that current collections are approximately 95% of the tax levy. At December 31, 2003 the amount of uncollectible receivables was \$100,412.

Ad Valorem Taxes

Ad valorem taxes are normally levied in November and billed in December. These taxes are due in January of the following year. Any unpaid taxes are collected in connection with an auction held in May. The Sheriff's department bills and collects the District's ad valorem taxes.

Ad valorem taxes are levied based on property values determined by the St. Tammany Parish Assessor (a separate entity). All land and residential improvements are assessed at 10 percent of its fair market value, and other property at 15 percent of its fair market value.

The District's ad valorem tax revenues are recognized when levied to the extent that they are determined to be currently collectible.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Compensated Absences

The District's policy is to allow employees to accumulate vacation leave up to a maximum of thirty (30) days. Upon termination of service, employees are paid for unused vacation leave.

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

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when the leave is actually taken. The total cost of leave privileges is recorded in the Statement of Net Assets.

Fund Equity

Designations represent those portions of fund equity that have been segregated to indicate tentative plans for future resource use.

Reserve for contingency fund as of December 31, 2001	\$ 22,658
Additions (Deletions) as of December 31, 2002	-
Additions (Deletions) as of December 31, 2003	<u>-</u>
Reserve for contingency fund as of December 31, 2003	<u>\$ 22,658</u>

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget

The St. Tammany Parish Fire Protection District No. 12 utilized the following budgetary practices:

A budget is adopted annually for the General Fund in accordance with Louisiana Revised Statutes 39:1304 and 39:1305. The 2003 and 2002 budgets were published in the official parish journal and made available for public inspection and included a public meeting. The District approves the budget and any revisions. Periodically, individual items of budgeted revenues and expenditures are compared to actual amounts and revision is approved is necessary. The 2003 and 2002 budgets were amended accordingly.

NOTE C – RECEIVABLES

Receivables at December 31, 2003, were comprised of the following:

Ad valorem taxes	\$1,907,821
State revenue sharing	<u>64,533</u>
	<u>\$1,972,354</u>

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
NOTES TO FINANCIAL STATEMENTS**

NOTE D – CASH AND CASH EQUIVALENTS

At year-end, the carrying amounts of the District's deposits were \$236,150 and the bank balance was \$418,067. The bank balance is categorized as follows:

Amount insured by the FDIC, or collateralized with securities held by the District's agent in the District's name	\$ 200,000
Amount collateralized with securities held by the pledging financial institution's trust	218,067
Uncollateralized (includes balance that is collateralized with securities held by the pledging financial institution but not in the District's name)	<u> -</u>
Total bank balance	<u>\$ 418,067</u>

NOTE E – AD VALOREM TAXES

The District was authorized to levy a special ad valorem tax of 10.21 mills on October 24, 1987, commencing in 1988 and ending in the year 1997. The tax is to be used for the purpose of acquiring, constructing, improving, maintaining and operating fire protection facilities, purchasing fire trucks and other fire fighting equipment, and paying the cost of obtaining water for fire protection purposes. In 1998, the ad valorem tax was extended for a period of ten years ending in the year 2008.

On July 17, 1993, the District was authorized to levy an additional special ad valorem tax of ten (10) mills, commencing in 1994 and ending in the year 2003. The tax is to be used for the purpose of acquiring, constructing, improving, maintaining and operating fire protection facilities, purchasing fire trucks and other fire fighting equipment, and paying the cost of obtaining water for fire protection purposes. This levy was renewed in 2003 and has been extended to 2013.

In June 1995, the District was authorized to levy an additional special ad valorem tax of five (5) mills, commencing in 1996 and ending in the year 2005. The tax is to be used for the purpose of acquiring, constructing, improving, maintaining, and operating fire protection facilities, purchasing fire trucks and other fire fighting equipment, and paying the cost of obtaining water for fire protection purposes.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
NOTES TO FINANCIAL STATEMENTS

NOTE F – CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets account group:

	Ending Balance 12/31/02	Adjustments	Beginning Balance 1/1/03	2003 Additions (Deletions)	Ending Balance 12/31/03
Land	\$ 166,990	\$ -	\$ 166,990	\$ -	\$ 166,990
Building and improvements	752,044	-	752,044	21,918	773,962
Equipment and furniture	882,772	(710,238)	172,534	150,361	322,895
Vehicles	671,735	294,281	966,016	-	966,016
	<u>\$ 2,473,541</u>	<u>\$ (415,957)</u>	2,057,584	172,279	<u>\$ 2,229,863</u>
Accumulated depreciation			564,022	106,200	670,222
Net capital assets			<u>\$ 1,493,562</u>		<u>\$ 1,559,641</u>

Adjustments were used to reclassify assets into different categories and to remove assets with a cost of less than \$1,000 from the schedule of capital assets. For the year ended December 31, 2003, \$106,200 in depreciation expense was allocated to fire protection activities.

NOTE G – DONATED FIXED ASSETS

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

NOTE H – 2% FIRE INSURANCE TAX

The District is eligible and receives a pro-rata share of the fire insurance tax collected by the State of Louisiana. The amounts received by the District are based on the population of the areas that it serves. In accordance with the revised statutes, such funds shall be used only for the purposes of “rendering more efficient and efficacious” fire protection as the District shall direct.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
NOTES TO FINANCIAL STATEMENTS

NOTE I – CERTIFICATES OF INDEBTEDNESS

The District pursuant to an election, and authority granted by the State Bond Commission, was authorized to levy a special tax of ten (10) mills and five (5) mills for the periods from 1994 through 2003 and from 1996 through 2005. In 2003, the ten (10) mills was renewed for an additional ten years until 2013. In conjunction with the 2003 tax renewal, the District issued 2003 Certificates for \$695,000 of which \$682,239 was to refinance the Series 2002 certificates principal and interest and the remaining funds to cover refinancing costs. These certificates maintain the purpose of the original certificates of indebtedness which was for the acquiring, constructing, improving, maintaining and operating fire protection facilities, purchasing fire trucks and other fire fighting equipment, and paying the cost of obtaining water for fire protection purposes.

These certificates have a maturity of ten (10) years beginning in 2004, and bear interest at rates varying from 3% to 5%. Principal payments are due annually on March 1 of each year. Interest dates are March 1 and September 1. For the years ended December 31, 2003 and 2002, interest expense is \$2,395 and \$10,864, respectively.

There are a number of limitations and restrictions contained in the certificates of indebtedness agreement. As of December 31, the District was in compliance with the covenants of the certificates of indebtedness agreement.

Annual debt service requirements to maturity are as follows:

Year Ending	Principle	Interest	Total
2004	\$ 60,000	\$ 24,431	\$ 84,431
2005	60,000	24,200	84,200
2006	65,000	22,325	87,325
2007	65,000	20,375	85,375
2008	65,000	18,100	83,100
Years thereafter	380,000	45,400	425,400
	<u>\$ 695,000</u>	<u>\$ 154,831</u>	<u>\$ 849,831</u>

NOTE J –LEASES

During 2003, the District entered into a capital lease agreement for 3 laptop computers. The following is a summary of future minimum lease payments under this lease:

2004	\$ 3,578
2005	<u>511</u>
Total lease payments	4,089
Less: Interest	<u>(556)</u>
Present value of net minimum lease payments	<u>\$ 3,533</u>

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
NOTES TO FINANCIAL STATEMENTS**

NOTE J –LEASES, (continued)

The District leases office equipment under an operating lease that requires monthly rental payments of \$572. There is no purchase option on this equipment. Total lease payments for the years ended December 31, 2003 and 2002 were \$8,175 and \$5,117.

The following is a summary of minimum lease payments under the operating leases:

2004	\$ 5,662
2005	3,972
2006	3,972
2007	<u>3,310</u>
	<u>\$16,916</u>

NOTE K – GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the changes in general long-term obligations:

	Balance 12/31/2002	2003 Additions	2003 Reductions	Balance 12/31/2003	Due within one year
Certificates of indebtedness	\$ 812,000	\$ 24,000	\$ (141,000)	\$ 695,000	\$ 60,000
Compensated absences	56,078	56,242	(47,406)	64,914	47,406
Capital lease obligations	-	6,053	(2,520)	3,533	3,028
	<u>\$ 868,078</u>	<u>\$ 86,295</u>	<u>\$ (190,926)</u>	<u>\$ 763,447</u>	<u>\$ 110,434</u>

NOTE L – PENSION PLAN

Substantially all employees of the St. Tammany Parish Fire Protection District No. 12 are members of the Louisiana Firefighters Retirement System (System), a multiple-employer (cost-sharing), public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of fire districts and their staff, which is administered and controlled by a separate board of trustees. Contributions of participating fire districts are pooled with the System to fund accrued benefits, with employer/employee contribution rates approved by the Louisiana Legislature.

Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance prior to January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third per cent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
NOTES TO FINANCIAL STATEMENTS

NOTE L – PENSION PLAN, (continued)

In addition to certain dedicated taxes that are remitted to the System, (which constitute major funding of the System), covered employees are required by state statute to contribute 8.00% of their annual covered salary to which the District adds a 9.00% contribution as an employer's match for the year ended December 31, 2002 and from 9% to 21% for the year ended December 31, 2003. The contributions for the years ended December 31, 2003 and 2002 were \$141,379 and \$69,124, respectively. The Districts total payroll was \$978,417 and \$805,123 for the years ended December 31, 2003 and 2002. Payroll covered by the System was \$853,111 and \$788,648 for the years ended December 31, 2003 and 2002, respectively.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925- 4060.

NOTE M – DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan available to all employees permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Annual contributions to the plan may not exceed the lesser of 25% of participating employee's gross salary or \$12,000. Salaries of employees participating in this plan for the years ended December 31, 2003 and December 31, 2002 totaled \$658,982 and \$575,523, respectively. The plan requires that the minimum contribution be equal to the current employee's withholding rate for social security. The employer's contributions were \$81,271 and \$73,771 and the employees' contributions were \$7,572 and \$9,391 for the years ended December 31, 2003 and December 31, 2002, respectively. Employee contributions are made as a non-taxable payroll deduction. The District has elected to contribute an additional amount to the plan as an extra benefit to participating employees.

All amounts of the compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or beneficiary) solely the property and rights of the District (without being restricted to the provisions of benefits under the plan), subject only to the claims of the District's general creditors. Participants' rights under the plan are equal to those of general creditors of the District in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the District's legal counsel that the District has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Accordingly, the plan assets and related liabilities have not been included herein.

Investments are managed by the plan's administrator (Deferred Compensation Plan). The plan participants make the choices of the investment option(s).

NOTE N – CONTINGENT LIABILITIES

From time to time, the District is involved as a defendant in actual or threatened litigation, which is not covered by insurance. At December 31, 2003, there were no pending or threatened claims which, in the opinion of the District's legal advisors, would have a material adverse affect on the financial statements should such claims be settled in favor of the plaintiffs.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
NOTES TO FINANCIAL STATEMENTS

NOTE O – FEMA GRANT

During 2003, the District was awarded a grant from the Federal Emergency Management Agency in the amount of \$124,563 to purchase computers and training materials. The Federal funding was 90% or \$112,107 and the District provided a 10% match or \$12,456.

NOTE P – COMMITMENTS

In October 2003, the District entered into a \$ \$142,000 construction contract to renovate Fire Station No. 4. As of December 31, 2003, \$20,417 has been expended. The completion date of the renovation is estimated to be July 2004.

NOTE Q – SUPPLEMENTAL SALARIES

During the year, the full time employees received additional pay in the amount of \$86,250 from the State of Louisiana. These intergovernmental funds are not reflected in the financial statements of the District for the two years ended December 31, 2003 and 2002.

SUPPLEMENTAL INFORMATION

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003**

	2003			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$ 1,839,000	\$ 1,820,500	\$ 1,964,101	\$ 143,601
State revenue sharing	65,000	66,000	86,283	20,283
2% fire insurance tax	36,000	51,500	51,500	-
Interest income	12,000	7,600	4,006	(3,594)
Grant income	-	101,050	112,107	11,057
	<u>1,952,000</u>	<u>2,046,650</u>	<u>2,217,997</u>	<u>171,347</u>
EXPENDITURES				
Personnel services and benefits	1,102,000	1,123,000	1,217,148	(94,148)
Contracted services	-	-	66,119	(66,119)
Legal and professional	10,000	55,000	36,015	18,985
Insurance	200,000	108,000	230,858	(122,858)
Repairs and maintenance	20,000	34,000	31,650	2,350
Station supplies	160,000	176,800	61,347	115,453
Office	-	-	21,619	(21,619)
Other	5,000	16,000	808	15,192
Occupancy	134,000	128,000	69,427	58,573
Fire prevention education and training	20,000	35,000	29,545	5,455
Fuel and oil	30,000	23,000	23,577	(577)
Dues, taxes and licenses	-	-	3,844	(3,844)
Travel and meals	7,000	1,800	1,569	231
Capital outlay	116,000	97,000	54,116	42,884
Grant outlays	-	101,050	112,107	(11,057)
Lease	-	-	10,699	(10,699)
Interest	30,000	30,000	2,395	27,605
Debt service	118,000	118,000	141,000	(23,000)
	<u>1,952,000</u>	<u>2,046,650</u>	<u>2,113,843</u>	<u>(67,193)</u>
Excess (deficiency) of revenues over expenditures	-	-	104,154	104,154
OTHER FINANCING SOURCES				
Proceeds from long term obligations	-	-	24,000	24,000
Excess (deficiency) of revenues over expenditures and other sources	-	-	128,154	128,154
Fund balance-beginning of year	<u>2,010,000</u>	<u>1,814,000</u>	<u>1,986,406</u>	<u>-</u>
Fund balance-end of year	<u>\$ 2,010,000</u>	<u>\$ 1,814,000</u>	<u>\$ 2,114,560</u>	<u>\$ 128,154</u>

See independent auditors' report.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002**

	2002			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 1,695,000	\$ 1,695,000	\$ 1,659,670	\$ (35,330)
State revenue sharing	65,000	68,000	43,773	(24,227)
2% fire insurance tax	23,000	27,000	26,834	(166)
Interest income	24,000	2,500	9,466	6,966
	<u>1,807,000</u>	<u>1,792,500</u>	<u>1,739,743</u>	<u>(52,757)</u>
EXPENDITURES				
Personnel services and benefits	898,000	1,006,000	1,011,448	(5,448)
Contracted Services	-	-	10,951	(10,951)
Legal and professional	35,000	58,000	49,982	8,018
Insurance	175,000	182,000	236,529	(54,529)
Repairs and maintenance	45,000	55,000	49,289	5,711
Station supplies	52,000	70,000	60,332	9,668
Office	-	-	32,111	(32,111)
Other	28,500	29,000	249	28,751
Occupancy	124,000	69,000	68,067	933
Fire prevention education and training	15,000	26,000	48,066	(22,066)
Fuel and oil	25,000	20,000	19,514	486
Dues, taxes and licenses	-	-	2,197	(2,197)
Travel and meals	12,000	2,500	3,200	(700)
Capital outlay	50,000	30,000	13,988	16,012
Grant outlays	-	-	-	-
Lease	-	-	8,599	(8,599)
Interest	10,257	10,000	10,864	(864)
Debt service	138,000	138,000	138,000	-
	<u>1,607,757</u>	<u>1,695,500</u>	<u>1,763,386</u>	<u>(67,886)</u>
Excess (deficiency) of revenues over expenditures	199,243	97,000	(23,643)	(120,643)
OTHER FINANCING SOURCES				
Proceeds from long term obligations	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources	199,243	97,000	(23,643)	(120,643)
Fund balance-beginning of year	<u>2,010,049</u>	<u>2,010,049</u>	<u>2,010,049</u>	<u>-</u>
Fund balance-end of year	<u>\$ 2,209,292</u>	<u>\$ 2,107,049</u>	<u>\$ 1,986,406</u>	<u>\$ (120,643)</u>

See independent auditors' report.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
SUPPLEMENTAL INFORMATION SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2003**

COMPENSATION PAID TO BOARD OF COMMISSIONERS

As shown on the attached schedule, compensation paid to the board of commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:405(G), the commissioners receive \$30 dollars for each board meeting attended, up to two meetings per month. Effective August 20, 2001, the commissioners receive \$100 dollars for each board meeting and \$50 per committee meeting attended up to two meetings per month.

<u>Commissioners</u>	<u>Amount</u>
Tasso Taylor	\$ 1,450
Jim Rappold	2,550
Joe Mitternight	1,500
Tom Davies	1,300
Rick Timmell	<u>1,350</u>
	<u>\$ 8,150</u>

OTHER INDEPENDENT AUDITORS' REPORTS

Skarda & Silva, L.L.P.

Certified Public Accountants

4331 Iberville Street

Mandeville, LA 70471

Steven A. Skarda, C.P.A.

Brent A. Silva, C.P.A.

(985) 626-8299, Main

(985) 626-9767, Fax

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

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

We have audited the financial statements of the St. Tammany Parish Fire Protection District No. 12 as of December 31, 2003 and for the two years then ended, and have issued our report thereon dated May 21, 2004. We conducted our audits 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. 12's financial statements are free of material misstatement, we 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 those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* described in the accompanying schedule of compliance and internal control findings as item 2003-3.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered St. Tammany Parish Fire Protection District No. 12's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect St. Tammany Parish Fire Protection District No. 12's ability to record, process, summarize and report financial data consistent with the assertions of management in the component unit financial statements. Reportable conditions are described in the accompanying schedule of internal control findings as items 2003-1 and 2003-2.

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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the St. Tammany Parish Fire Protection District No. 12 management and the Legislative Auditor of the State of Louisiana, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Board of Commissioners of the St. Tammany Parish Fire Protection District No. 12, is a matter of public record.



May 21, 2004

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
SCHEDULE OF CURRENT YEAR FINDINGS, RECOMMENDATIONS AND CORRECTIVE ACTION PLAN
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

Ref No.	Description of Finding	Recommendation	Corrective Action Taken	Corrective Action Planned	Contact Person	Anticipated Completion Date
Section I. Internal Control and Compliance Material to Financial Statements:						
2003-1	Cash receipts not posted monthly in the general ledger	Cash receipts should be recorded the date of receipt to reduce the risk of misappropriation or theft.	Yes	Implementation of inhouse recording of cash receipts daily by clerk	Ray Newton, Administrator	7/1/2004
2003-2	Investment activity not posted to the general ledger	Investment activity should be recorded monthly with a reconciliation prepared to detailed investment schedules	Yes	Implementation of detailed investment schedule to be monitored monthly.	Ray Newton, Administrator	7/1/2004
2003-3	LSA RS 24:513(A)(5)(a) requires that all audits shall be completed within six months of the close of the entity's fiscal year. Because of the implementation of GASB No. 34 relating to accounting for fixed assets and preparation of Management's Discussion and Analysis (MD&A) the auditor was unable to complete the audit within the six months of the close of the entity's fiscal year.	Ensure completion of the MD&A and accounting for fixed assets well in advance for the auditor to complete the audit within the six months of the close of the entity's fiscal year.	Yes	Implementation of GASB No. 34 caused significant time to complete. For next year, the MD&A will be prepared well in advance for the auditor to complete the audit within the six months of the close of the entity's fiscal year.	Ray Newton, Administrator	7/1/2004

Section II. Management Letter

None

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 12
 SCHEDULE OF PRIOR AUDIT FINDINGS
 FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Recommendation</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Additional Explanation</u>	<u>Contact Person</u>	<u>Anticipated Completion Date</u>
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There were no prior audit findings for the year ended December 31, 2001.