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**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6**

**FINANCIAL STATEMENTS  
(Compiled)**

**Covington, Louisiana**

**YEAR ENDED DECEMBER 31, 2003**

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.

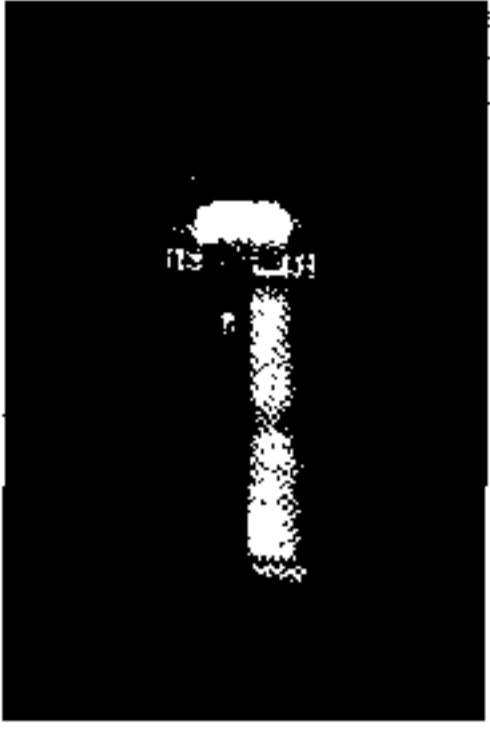
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ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

December 31, 2003

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**BERNARD & FRANKS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT ACCOUNTANT'S REPORT**

Board of Commissioners  
St. Tammany Parish Fire Protection District No. 6  
Covington, Louisiana

We have compiled the accompanying basic financial statements, as listed in the table of contents, of the St. Tammany Parish Fire Protection District No. 6, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2003, as required by Louisiana Revised Statute 24:513, and in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

As described in Note 1 b) to the basic financial statements, the District has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments, as of January 1, 2003.

The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

*Bernard & Franks*

May 6, 2004

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6**

**STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUND BALANCE SHEET**

**December 31, 2003**

**See Accountant's Compilation Report**

	<u>GENERAL FUND</u>	<u>ADJUSTMENTS (EXHIBIT A)</u>	<u>STATEMENT OF NET ASSETS</u>
<b>ASSETS</b>			
Cash	\$ 14,687	\$ -	\$ 14,687
Due from other government units			
Ad Valorem Taxes	160,359	-	160,359
Revenue Sharing	11,767	-	11,767
Prepaid Insurance	17,610	-	17,610
Capital assets			
Non-depreciable	-	44,177	44,177
Depreciable, net of accumulated depreciation	-	794,710	794,710
<b>TOTAL ASSETS</b>	<u>\$ 204,423</u>	<u>\$ 838,887</u>	<u>\$ 1,043,310</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenditures	\$ 20,977	\$ -	\$ 20,977
Deductions from ad valorem taxes	4,461	-	4,461
Long-term liabilities:			
Due within one year	-	17,043	17,043
Due after one year	-	252,307	252,307
<b>TOTAL LIABILITIES</b>	<u>\$ 25,438</u>	<u>\$ 269,350</u>	<u>\$ 294,788</u>
<b>FUND BALANCE/NET ASSETS</b>			
Fund balance - unreserved	\$ 161,375	\$ (161,375)	\$ -
Fund balance - reserved - prepaids	17,610	(17,610)	-
	<u>\$ 178,985</u>	<u>\$ (178,985)</u>	<u>\$ -</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<u>\$ 204,423</u>		
<b>Net assets:</b>			
Invested in capital assets, net of related debt		\$ 569,537	\$ 569,537
Unrestricted		178,985	178,985
<b>Total net assets</b>		<u>\$ 748,522</u>	<u>\$ 748,522</u>

See notes to financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6**

**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
(EXHIBIT A)**

**December 31, 2003**

**See Accountant's Compilation Report**

Fund Balance - Governmental Fund \$ 178,985

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 governmental fund.

Governmental capital assets	\$ 1,039,265	
Less accumulated depreciation	<u>(200,378)</u>	838,887

Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Long-term liabilities at year-end consist of:

Capital lease payable		<u>(269,350)</u>
-----------------------	--	------------------

Net Assets of Governmental Activities \$ 748,522

See notes to financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6**

**STATEMENT OF ACTIVITIES AND STATEMENT OF  
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE**

**December 31, 2003**

**See Accountant's Compilation Report**

	<u>GENERAL FUND</u>	<u>ADJUSTMENTS (EXHIBIT B)</u>	<u>STATEMENT OF ACTIVITIES</u>
<b>REVENUES:</b>			
Taxes	\$ 159,141	\$ -	\$ 159,141
Intergovernmental:			
State of Louisiana:			
State revenue sharing	11,861	-	11,861
Fire insurance tax	8,880	-	8,880
Forestry grant	7,400	-	7,400
Miscellaneous:			
Interest	1,896	-	1,896
Contributions	5,000	-	5,000
Proceeds from capital lease	269,350	(269,350)	-
<b>Total revenues</b>	<u>\$ 463,528</u>	<u>\$ (269,350)</u>	<u>\$ 194,178</u>
<b>Expenditures/Expenses</b>			
Current:			
Public safety:			
Professional fees	\$ 8,600	\$ -	\$ 8,600
Insurance	17,253	-	17,253
Repairs and maintenance	28,807	-	28,807
Utilities	15,144	-	15,144
Truck expense	2,096	-	2,096
Pension cost	5,290	-	5,290
Training	973	-	973
Dispatch fees	6,900	-	6,900
Supplies	28,902	-	28,902
Depreciation	-	25,849	25,849
<b>Total Public Safety</b>	<u>113,965</u>	<u>25,849</u>	<u>139,814</u>
Capital outlay	397,773	(397,773)	-
<b>Total expenditures/expenses</b>	<u>\$ 511,738</u>	<u>\$ (371,924)</u>	<u>\$ 139,814</u>
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<u>\$ (48,210)</u>	<u>\$ 48,210</u>	<u>\$ -</u>
Change in Net Assets	\$ -	\$ 54,364	\$ 54,364
<b>FUND BALANCE/NET ASSETS</b>			
Beginning of year	227,194	466,964	694,158
End of year	<u>\$ 178,984</u>	<u>\$ 569,538</u>	<u>\$ 748,522</u>

See notes to financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6**

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL  
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES**

**(EXHIBIT B)**

**December 31, 2003**

**See Accountant's Compilation Report**

Net Change in Fund Balance - Governmental Fund \$ (48,210)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 397,773	
Depreciation expense	<u>(25,849)</u>	371,924
Deficiency of capital outlay over depreciation expense		

Proceeds from capital lease is a revenue in the governmental funds, but the proceeds increases long-term liabilities in the statement of net assets.

Proceeds from capital lease		<u>(269,350)</u>
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Change in Net Assets of Governmental Activities		<u><u>\$ 54,364</u></u>
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See notes to financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6**

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND**

December 31, 2003

See Accountant's Compilation Report

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Taxes	\$ 130,000	\$ 159,000	\$ 159,141	\$ 141
Intergovernmental:				
State of Louisiana:				
State revenue sharing	11,000	11,850	11,861	11
Fire insurance tax	10,000	8,880	8,880	-
Forestry grant	-	7,400	7,400	-
Miscellaneous:				
Interest	2,800	1,800	1,896	96
Contributions	-	5,000	5,000	-
Proceeds from capital lease	-	269,350	269,350	-
<b>Total revenues</b>	<b>\$ 153,800</b>	<b>\$ 463,280</b>	<b>\$ 463,528</b>	<b>\$ 248</b>
<b>Expenditures</b>				
Current:				
Public safety:				
Professional fees	\$ 9,500	\$ 8,600	\$ 8,600	\$ -
Insurance	20,000	18,000	17,253	747
Repairs and maintenance	18,000	29,000	28,807	193
Utilities	16,000	15,400	15,144	256
Truck expense	3,000	2,000	2,096	(96)
Assessor's pension assessment	5,000	5,300	5,290	10
Training	4,000	1,000	973	27
Dispatch fees	5,000	6,900	6,900	-
Supplies	25,000	29,000	28,902	98
<b>Total Public Safety</b>	<b>105,500</b>	<b>115,200</b>	<b>113,965</b>	<b>1,235</b>
Capital outlay	48,300	397,800	397,773	27
<b>Total expenditures</b>	<b>\$ 153,800</b>	<b>\$ 513,000</b>	<b>\$ 511,738</b>	<b>\$ 1,262</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ (49,720)</b>	<b>\$ (48,210)</b>	<b>\$ 1,510</b>
<b>FUND BALANCE</b>				
Beginning of year	227,194	227,194	227,194	-
End of year	\$ 227,194	\$ 177,474	\$ 178,984	\$ 1,510

See notes to financial statements.



ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

See Accountant's Compilation Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES

The St. Tammany Parish Fire Protection District No. 6 (the District) was created on September 17, 1970 by the St. Tammany Parish Police Jury, as provided by Louisiana Revised Statute 40:1492. The District was created to acquire, maintain, and operate buildings, machinery, equipment, water tanks, water hydrants and water lines, and other such things necessary to provide proper fire prevention and control within the District's limits. The administration of the District is governed by a board of commissioners consisting of 5 members who are resident property taxpayers of the district. These members are appointed by the St. Tammany Parish Police Jury and serve 2 years without remuneration. The District operates three fire stations and provides fire protection services in an area covering approximately 55 square miles.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (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 following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of St. Tammany Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the Comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2003.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Change in Accounting

In June 1999, GASB unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. One of the more significant changes in Statement No. 34 include for the first time a Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all of the District's activities. The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

See Accountant's Compilation Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES(Continued)

b) Change in Accounting (Continued)

However, other changes are reflected in the accompanying basic financial statements (including notes to financial statements). The District has elected to implement the general provisions of Statement No. 34 in the current year.

For the year ended December 31, 2003, the District also implemented the following GASB Standards:

- Statement 37 - Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments: Omnibus
- Statement 38 - Certain Financial Statement Disclosures
- Interpretation No. 6 - Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements

The transition from governmental fund balance to net assets for December 31, 2002, is presented below:

Total fund balance, as previously report		\$ 227,194
Capital assets used in governmental activities are not financial resources and, therefore were not previously reported.		
Governmental capital assets	\$ 768,534	
Less accumulated depreciation	<u>(301,570)</u>	<u>466,964</u>
Net assets		<u>\$ 694,158</u>

c) Basis of Presentation

The District's basic financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

See Accountant's Compilation Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES(Continued)

c) Basis of Presentation (Continued)

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the District. The governmental-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. The daily accounts and operations of the District continues to be organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the Governmental Fund of the District:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

d) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

See Accountant's Compilation Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES(Continued)

Government-wide Financial Statements:

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 related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements:

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. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are recognized as revenue in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.



ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

See Accountant's Compilation Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES(Continued)

e) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

f) Operating Budgetary Data

As required by the Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America and is included in the budget presentation in the basic financial statements.

g) Accounts Receivable

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the fund.

h) Cash

Cash included amounts in interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or banks having their principal offices in Louisiana.

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

See Accountant's Compilation Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES(Continued)

i) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Furniture and equipment	5-10 years
Vehicles	15 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

See Accountant's Compilation Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES(Continued)

j) Long-Term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists of general obligation bonds.

Fund Financial Statements:

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures.

k) Vacation, Sick Leave, and Pension

All members of the District's firefighting force serve as volunteers. Therefore, the District does not have a vacation, sick leave or pension plan.

l) Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

See Accountant's Compilation Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES(Continued)

- c. Unrestricted net assets ~ All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2003 and for the year then ended, the District did not have or receive restricted net assets.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

NOTE 2. DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana or any other federally insured investment.

Bank Deposits:

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.



**ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
See Accountant's Compilation Report**

**NOTE 2. DEPOSITS AND INVESTMENTS (Continued)**

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agent but not in the District's name and deposits which are uninsured and uncollateralized.

The year end balances of deposits are as follows:

	Bank Balances Category			Book Balance
	1	2	3	
Cash	<u>\$ 14,687</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$14,687</u>
Totals	<u>\$14,687</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$14,687</u>

At December 31, 2003, the District held cash (book balance) of \$14,687 in interest bearing demand deposits. These deposits were secured from risk of FDIC insurance and pledges of security by the fiscal agent bank.

**NOTE 3. PROPERTY TAXES**

Property taxes are levied each November 1 on the assessed value listed as of prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amounts of the taxes. The tax rate for the year ended December 31, 2003 was \$20.12 per \$1,000 of assessed valuation on property within the District for the purpose of constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes.

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

See Accountant's Compilation Report

NOTE 4. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2003 consisted of the following:

St. Tammany Parish Tax Collector - December, 2003  
collections remitted to the District in 2004:

Ad valorem taxes	\$ 160,359
State revenue sharing	<u>11,767</u>
Total	<u>\$ 172,126</u>

NOTE 5. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003 was as follows:

	<u>Balance January 1, 2003</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance December 31, 2003</u>
Capital assets not being depreciated:				
Land	\$ 44,177	\$ ---	\$ ---	\$ 44,177
Capital assets being depreciated:				
Buildings	330,136	---	---	330,136
Furniture and equipment	292,998	---	(127,041)	165,957
Vehicles	<u>138,951</u>	<u>360,044</u>	<u>---</u>	<u>498,995</u>
Total capital assets being depreciated	<u>762,085</u>	<u>360,044</u>	<u>(127,041)</u>	<u>995,088</u>
Less accumulated depreciation for:				
Buildings	(24,788)	(3,563)	---	(28,351)
Furniture and equipment	(170,701)	(14,610)	127,041	(58,270)
Vehicles	<u>(106,081)</u>	<u>(7,676)</u>	<u>---</u>	<u>(113,757)</u>
Total accumulated depreciation	<u>(301,570)</u>	<u>(25,849)</u>	<u>127,041</u>	<u>(200,378)</u>
Total capital assets being depreciated, net	<u>460,515</u>	<u>334,195</u>	<u>---</u>	<u>794,710</u>
Total capital assets, net	<u>\$ 504,692</u>	<u>\$ 334,195</u>	<u>\$ ---</u>	<u>\$ 838,887</u>

The adjustments are based on a physical inventory.

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

See Accountant's Compilation Report

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures at December 31, 2003 consisted of the following:

Vendors	\$ <u>20,977</u>
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NOTE 7. CAPITAL LEASE

The District entered into a lease agreement for the acquisition of two fire trucks at a cost of \$269,350 in December 2003. This lease qualifies as a capital lease.

The debt service for the capital lease is as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 17,043	\$ 7,957
2005	20,066	12,598
2006	21,068	11,596
2007	22,120	10,544
2008	23,224	9,439
2009	24,384	8,280
2010	25,601	7,062
2011	26,880	5,784
2012	28,222	4,442
2013	29,631	3,033
2014	<u>31,111</u>	<u>1,553</u>
	<u>\$ 269,350</u>	<u>\$ 82,288</u>

For the capital lease, the total principal and interest component equal the required minimum payment for the year shown. The principal payment equals the net present value of the lease at 5% interest per year.

Changes in long-term debt for governmental activities are as follows:

	<u>Capital</u> <u>Lease Obligation</u>
Balance at January 1, 2003	\$ -
Addition	269,350
Payments	<u>-</u>
Balance at December 31, 2003	<u>\$ 269,350</u>

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

See Accountant's Compilation Report

**NOTE 8. RISK MANAGEMENT**

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters; for which the District carries commercial insurance. The premiums for group insurance are based on a fixed rate per employee. There was no litigation pending against the District as of December 31, 2003.

**NOTE 9. COMPENSATION OF BOARD MEMBERS**

The Board of Commissioners serve the District without compensation.



**BERNARD & FRANKS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS F. CHETTA, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Board of Commissioners  
St. Tammany Parish Fire Protection District No. 6  
Covington, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the St. Tammany Parish Fire Protection District No. 6 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the St. Tammany Parish Fire Protection District No. 6 compliance with certain laws and regulations during the year ended December 31, 2003 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**PUBLIC BID LAW**

1. Select all expenditures made during the year for material and supplies exceeding \$15,000 or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS38:2211-2251 (the public bid law).

There were expenditures made during the year for material and supplies exceeding \$15,000 or public work exceeding \$100,000. One expenditure, which exceeded \$100,000, was made for purchase of fire trucks. We examined documentation which indicated that the expenditure had been properly advertised and accepted in accordance with the provisions of R.S. 38:2212.

## CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS42:1101-1124 (the code of ethics) and a list of outside business interest of all board members and employees, as well as their immediate families.

We obtained a list of family members and outside business interests for each board member.

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

The St. Tammany Fire Protection District No. 6 has no employees, only volunteer fire fighters.

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

The St. Tammany Fire Protection District No. 6 has no employees.

## BUDGETING

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

Management provided us with copies of the original and amended budget.

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

The budget adoption was traced to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenue and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.

There were no unfavorable budget variances which exceeded budgeted amounts by 5%.

## ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:

(a) Trace payments to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) Determine if payments were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated proper approval obtained.

## MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS42:1 through 42:12 (the open meetings law).

Agendas for meetings were posted as required by law.

## DEBT

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

We inspected copies of all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.



## ADVANCES AND BONUSES

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

The St. Tammany Fire Protection District No. 6 has no employees.

## PRIOR COMMENTS AND RECOMMENDATIONS

12. Our prior year report, dated June 16, 2003, did not include any comments or unresolved matters.

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

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

*Bernard L. Frank*

May 6, 2004



**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

April 26, 2004(Date Transmitted)

Bernard & Franks CPA's  
4141 Veterans Blvd, Suite 313  
Metairie, LA 70002

(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations). 12/31/03 & 04/26/04

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes  No

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes  No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes  No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.  
Yes [ X ] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.  
Yes [ X ] No [ ]

**Debt**

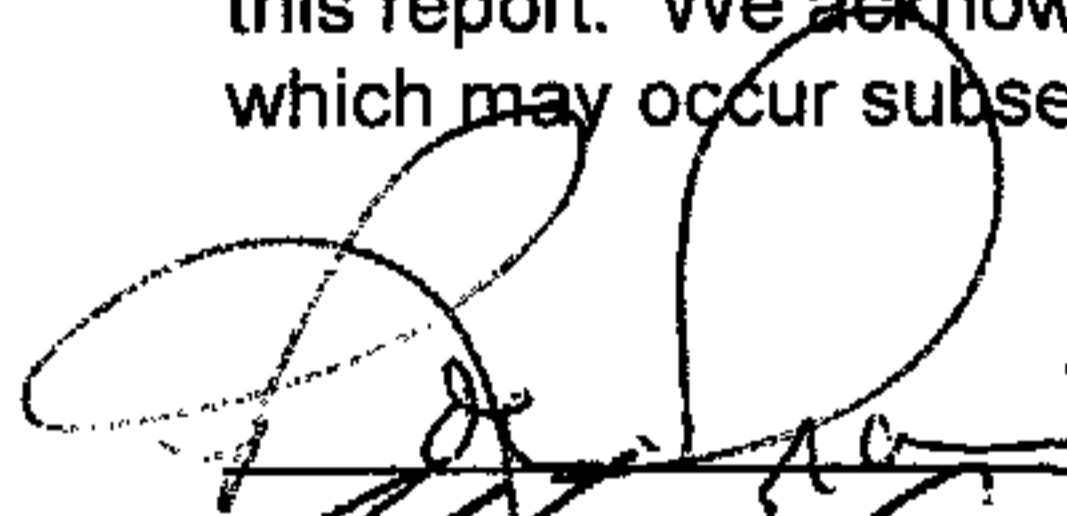
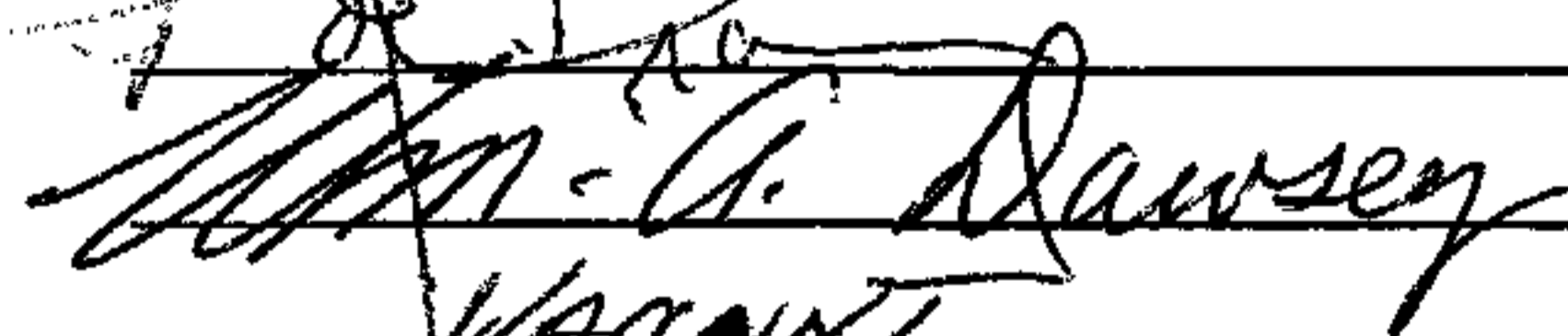
It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.  
Yes [ X ] No [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.  
Yes [ X ] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	<u>5/12/2004</u>	Date
	Treasurer	<u>5-10-04</u>	Date
<u>VACANT</u>	President		Date

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.