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**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
PEARL RIVER, LOUISIANA
ST TAMMANY PARISH GOVERNMENT**

Annual Financial Statements

As of December 31, 2004 and for the Year Then Ended

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 7-27-05

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
PEARL RIVER, LOUISIANA
ST TAMMANY PARISH GOVERNMENT**

Annual Financial Statements

As of December 31, 2004 and for the Year Then Ended

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**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
PEARL RIVER, LOUISIANA
ST. TAMMANY PARISH GOVERNMENT**

Management Discussion and Analysis
As of and for the Year Ended December 31, 2004

This section of Fire Protection District No. 11's (The District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended December 31, 2004. Please read it in conjunction with the following financial statements.

FINANCIAL HIGHLIGHTS

- The District's total assets increased by \$ 92,751 due to the new fire station and refurbishing of a new fire truck as well as other fire equipment purchased during the year.
- The District's total liabilities decreased by \$ 34,510 due to the payments made on the lease and bond debt of the District.
- The general fund revenues increased \$ 38,099 and the operating expenses decreased only \$ 4,855.
- Capital outlays to expand the Districts fire protection abilities continue to be significant with a current year capital outlay of \$ 96,413.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's annual report consists of three parts – management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two statements:

- The first statement is the combined balance sheet providing an overall financial status by presenting short-term and long-term assets and liabilities as well as fund equity consisting of past accomplishments.
- The second statement is the statement of revenue, expenditures, and changes in fund balance, which provides a detailed overview of all revenues, and expenditures of the District.

The District's indicators of financial health can be determined by its assets verse liabilities and its fund equity. Other indicators will also be evident due to lowered homeowners insurance rates and lives saved in unforeseeable disasters. The District has lowered the insurance rating from five to three this past year.

FINANCIAL ANALYSIS OF THE DISTRICT

The District's combined fund equity increased. The District continues to have a strong financial position and a growing population within its service area. Accounts receivable has increased over \$ 46,000, which is, recorded net of uncollectible amounts. Operating expenses are only 60% of collectible amounts receivable, which leaves the District a minimal amount of funds for future equipment purchases. Salaries and related expenditures and insurance increased substantially from prior year amounts. The District hired three full time firemen. The District also receives revenue from grants and other services provided by the District.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District uses its budgetary amounts throughout the year to be fiscally responsible with public funds. Adjustments to the budget are approved only by the board and were made in the fourth quarter of 2004. The District did not have an overall significant shortfall or overage in the budget. Individual accounts such as salaries, which had a budget over run of \$ 6,000, were due to the hiring of three new employees. Revenues over ran budget amounts due to increased property assessment values, which were not budgeted as well as an increase in the amount of state revenue sharing. The District continues to be very fiscally responsible with the public funds it receives.

ECONOMIC FACTORS AND A LOOK AT NEXT YEAR

A growing housing market and population growth in the area protected by the District were all factors taken into consideration when developing the budget for 2005. The District set out in 2004 to keep the insurance rating of 3 and to establish a plan to reduce the insurance rating to 2. The ability to keep this 3 rating was accomplished by the erection of a new fire station on Highway 3081 in Pearl River as well as upgrades to equipment and training. The budget for 2005 will see an increase in operating expenditures. Capital outlays will include a new fire truck and the purchase of a new Safety House Trailer for training youth and the public. The District also is looking forward to providing other services to the community, which will increase revenues.

This financial report is designed to provide our citizens, taxpayers, and customers with an overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact St Tammany Parish Fire Protection District No 11, Office of the Chief, Pearl River, Louisiana, 70452.

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Board of Commissioners
St. Tammany Parish Fire Protection District No. 11
St. Tammany Parish Government
Pearl River, Louisiana

We have reviewed the accompanying financial statements of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Tammany Parish Fire Protection District No. 11, a component unit of the St. Tammany Parish Government, as of and for the year ended December 31, 2004, which collectively comprise the Fire Protection District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the St. Tammany Parish Fire Protection District No. 11's management.


Our review was conducted in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards issued by the Comptroller General of the United States of America. A review consists principally of inquiries of St. Tammany Parish Fire Protection District No. 11 personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated May 11, 2005, on the results of our agreed-upon procedures.

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards

Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

A handwritten signature in cursive script, appearing to read "David E. Moyle".

David E. Moyle, CPA
May 11, 2005

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
ST. TAMMANY PARISH GOVERNMENT
GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET ASSETS
December 31, 2004

	GENERAL FUND	ADJUSTMENTS	STATEMENT OF NET ASSETS
ASSETS			
Cash and Cash Equivalents	\$ 18,787.06		\$ 18,787.06
Accounts Receivable			
Ad valorem taxes, net of allowance for uncollectible taxes of \$36,590.61	329,315.48		329,315.48
State Revenue sharing	21,420.00		21,420.00
Land, Equipment & Building			
Less Accum Deprec of \$388,976.05		789,469.59	789,469.59
TOTAL ASSETS	\$ 369,522.54	\$ 789,469.59	\$ 1,158,992.13
LIABILITIES			
Accounts Payable	\$ 8,596.28		\$ 8,596.28
Long-Term Liabilities			
Current Portion of Lease Payable		27,192.13	27,192.13
Current Portion of Bonds Payable		10,000.00	10,000.00
Capital Leases Payable		123,031.52	123,031.52
Bonds Payable		170,000.00	170,000.00
TOTAL LIABILITIES	8,596.28	330,223.65	338,819.93
FUND BALANCES/NET ASSETS			
Fund Balances			
Unreserved	360,926.26	(360,926.26)	-
Total Fund Balances	360,926.26	(360,926.26)	-
Total Liabilities and Fund Balances	369,522.54		
NET ASSETS:			
Investment in Capital Assets, net of related debt		685,704.87	685,704.87
Unrestricted		134,467.33	134,467.33
TOTAL NET ASSETS		820,172.20	820,172.20

ST. TAMMANY FIRE PROTECTION DISTRICT NO. 11
ST. TAMMANY PARISH GOVERNMENT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

	General Fund	Adjustments	Stmnt of Activities
REVENUES			
Ad valorem taxes	\$ 340,141.42	\$ -	\$ 340,141.42
Intergovernmental revenues:			
State revenue sharing	23,297.00		23,297.00
Fire insurance rebate	14,075.07		14,075.07
Interest earnings	843.49		843.49
Charges of services	2,555.00		2,555.00
Miscellaneous	25,454.71		25,454.71
TOTAL REVENUES	406,366.69	-	406,366.69
EXPENDITURES			
Salaries and related expenditures	111,587.18	-	111,587.18
Insurance	40,617.61		40,617.61
Accounting	3,498.25		3,498.25
Dispatch	11,136.00		11,136.00
Repairs and maintenance	6,596.33		6,596.33
Telephone and utilities	11,986.11		11,986.11
Office supplies	2,173.11		2,173.11
Station and medical supplies	779.41		779.41
Vehicle operations	8,691.18		8,691.18
Training	3,279.85		3,279.85
Uniforms and apparel	1,106.77		1,106.77
Miscellaneous	161.33		161.33
Physical Fitness	2,600.00		2,600.00
Debt service and capital lease payments			
Principal	35,899.73	(35,899.73)	-
Interest	19,588.56		19,588.56
Depreciation		55,303.87	55,303.87
Capital outlay	96,412.94	(96,412.94)	-
TOTAL EXPENDITURES	356,114.36	(77,008.80)	279,105.56
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	50,252.33	77,008.80	
EXCESS (DEFICIENCY) OF REVENUES AND TRANSFERS IN OVER EXPENDITURES AND TRANSFERS OUT	50,252.33	(50,252.33)	
Change in net assets		127,261.13	127,261.13
FUND BALANCE/NET ASSETS			
Beginning of the year	310,673.93	382,237.14	692,911.07
End of the year	\$ 360,926.26	\$ 459,245.94	\$ 820,172.20

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
Pearl River, Louisiana
ST. TAMMANY PARISH GOVERNMENT

Notes to the Financial Statements
As of and for the Year Ended December 31, 2004

INTRODUCTION

The St. Tammany Parish Fire Protection District No. 11 (The District) was created by the St. Tammany Parish Government, as authorized by Louisiana Revised Statute 40:1492. Ordinance No. 691 was adopted in regular session assembled on February 17, 1977. The District is responsible for fire protection in the Pearl River, Louisiana area and is governed by a five-member volunteer, non-compensated board of directors. The District has seven full-time employees and two part-time employees.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. 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 as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal

Fire Protection District No. 11
Pearl River, Louisiana
Notes to the Financial Statements (Continued)

period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The District reports the following governmental funds:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

C. Deposits and Investments

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

Investments for The District are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources

All trade and property tax receivables are show net of an allowance for uncollectives. The District uses an uncollectible rate of ten percent of assessed property taxes. This rate has been established through prior year ratios of collections to assessed property taxes.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

Fire Protection District No. 11
 Pearl River, Louisiana
 Notes to the Financial Statements (Continued)

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Taxes due for: Property Taxes	43	43	various

E. Restricted Assets

The land donated to The District is to be used for fire protection.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost. The District maintains a threshold level of \$500.00 or more for capitalizing capital assets.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings and building improvements	40 years
Furniture and fixtures	5 years
Vehicles	15 years
Equipment	10 years

H. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

I. Fund Equity

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

J. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of The District, which are either unusual in nature or infrequent in occurrence.

Fire Protection District No. 11
 Pearl River, Louisiana
 Notes to the Financial Statements (Continued)

K. Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION The District uses the following budget practices:

The District uses a non-GAAP budgetary basis on a calendar year. All appropriations lapse at year-end. The budget is presented on the non-GAAP basis or cash basis. All changes to the budget require approval by the board. The budgets amounts presented were adopted at the December 31, 2003 board meeting and amendments were approved in the December 28, 2004 meeting.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS The following individual funds had actual expenditures over budgeted appropriations for the year-ended December 31, 2004:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable Variance</u>
General Fund	\$ 346,228.00	\$ 345,169.00	\$ 356,114.36	\$ (10,945.36)

3. CASH AND CASH EQUIVALENTS

At December 31, 2004, the District has cash and cash equivalents as follows:

Demand deposits	<u>\$ 18,787.06</u>
	<u> </u>
	<u> </u>
Total	<u>\$ 18,787.06</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2004, the District has \$ 18,787.06 in deposits. These deposits are secured from risk by \$ 100,000.00 of federal deposit insurance.

4. INVESTMENTS

The District does not have any investments at present.

5. RECEIVABLES

The receivables of \$ 350,735.48 at December 31, 2004, are as follows:

Fire Protection District No. 11
 Pearl River, Louisiana
 Notes to the Financial Statements (Continued)

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Fund</u>	<u>Total</u>
Taxes:			
Ad valorem	\$ 329,315.48	\$	\$ 329,315.48
Sales and use			
Other	\$ 21,420.00		\$ 21,420.00
 Total	 \$ 350,735.48	 \$ -	 \$ 350,735.48

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2004, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 69,787.25			\$ 69,787.25
Construction in progress	7,208.59		7,208.59	
Total capital assets, not being depreciated	76,995.84		7,208.59	69,787.25
Capital assets being depreciated				
Buildings	255,997.73	71,125.84		327,123.57
Machinery and equipment	749,039.13	32,495.69		781,534.82
Total capital assets being depreciated	1,005,036.86			1,108,658.39
Less accumulated depreciation for:				
Buildings	48,972.26	6,992.65		55,964.91
Machinery and equipment	284,699.92	48,311.22		333,011.14
Total accumulated depreciation	333,672.18	55,303.87		388,976.05
Total capital assets being depreciated, net	\$ 671,364.68			\$ 719,682.34

7. CONSTRUCTION COMMITMENTS

At year-end the District had no commitments with contractors.

8. INTERFUND RECEIVABLES, PAYABLE, AND TRANSFERS

As of December 31, 2004 the District has no interfund transfers.

9. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$ 8,596.28 at December 31, 2004, are as follows:

Fire Protection District No. 11
 Pearl River, Louisiana
 Notes to the Financial Statements (Continued)

	General Fund	Fund	Total
Salaries	\$	\$	\$ -
Withholdings	6,388.93		6,388.93
Accounts	2,207.35		2,207.35
Other			0.00
Total	\$ 8,596.28	\$ -	\$ 8,596.28

10. SHORT-TERM DEBT

The District has no short-term borrowings as of December 31, 2004

11. LEASES

The District records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases:

<u>Type</u>	<u>Recorded Amount</u>
Buildings	\$
Equipment	176,123.38
Other	
Total	\$ 176,123.38

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of December 31, 2004:

	<u>Buildings</u>	<u>Equipment</u>	<u>Other</u>	<u>Total</u>
Fiscal year:				
2005	\$	\$ 34,688.29	\$	\$ 34,688.29
2006		34,688.29		34,688.29
2007		34,688.29		34,688.29
2008		34,688.29		34,688.29
2009		34,688.29		34,688.29
Total minimum lease payments	-	173,441.45	-	173,441.45
Less - amounts representing executory costs		-		-
Net minimum lease payments	-	173,441.45	-	173,441.45
Less - amounts representing interest		23,217.80		23,217.80
Present value of net minimum lease payments	\$ -	\$ 150,223.65	\$ -	\$ 150,223.65

The District has no operating leases.

Fire Protection District No. 11
 Pearl River, Louisiana
 Notes to the Financial Statements (Continued)

12. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year-ended December 31, 2004:

	Bonded Debt	Compensated Absences	Lease- Purchase Agreements	Total
Long-term obligations at Beginning of Year	\$ 190,000.00	\$ -	\$ 179,123.38	\$ 369,123.38
Additions				-
Deductions	10,000.00		25,899.73	35,899.73
Long-term obligations at End of Year	<u>\$ 180,000.00</u>	<u>\$ -</u>	<u>\$ 153,223.65</u>	<u>\$ 333,223.65</u>

The following is a summary of the current and the long-term portions of long-term obligations as of December 31, 2004:

	Bonded Debt	Compensated Absences	Total
Current portion	\$ 10,000.00	\$ -	\$ 10,000.00
Long-term portion	170,000.00		170,000.00
Total	<u>\$ 180,000.00</u>	<u>\$ -</u>	<u>\$ 180,000.00</u>

Entity bond outstanding at December 31, 2004, for \$180,000.00, is a general obligation bond with maturity in 2015 and interest rates from 11% to 6%. Bond principal and interest payable in the next fiscal year are \$ 20,262.50. The individual issue is as follows:

Bond	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding	Funding Source
Series 1995	\$ 250,000.00	11.0% to 6.0%	4/1/2015	\$ 186,405.00	\$ 180,000.00	Bk New York

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At December 31, 2004, the District has accumulated \$ 0.00 in the debt service funds for future debt requirements. The bonds are due as follows:

Fire Protection District No. 11
 Pearl River, Louisiana
 Notes to the Financial Statements (Continued)

<u>Year Ending December 31, 2004</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2005	\$ 10,000.00	\$ 10,262.50	\$ 20,262.50
2006	15,000.00	9,570.00	24,570.00
2007	15,000.00	8,722.50	23,722.50
2008	15,000.00	7,863.75	22,863.75
2009	15,000.00	6,997.50	21,997.50
2010-2011	30,000.00	11,366.25	41,366.25
2012-2015	80,000.00	9,600.00	89,600.00
Total	<u>\$ 180,000.00</u>	<u>\$ 64,382.50</u>	<u>\$ 244,382.50</u>

In accordance with R.S. 39:562, The District is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At December 31, 2004, the statutory limit is \$250,000.00, and outstanding bonded debt totals \$ 180,000.00.

13. RETIREMENT SYSTEM

The District is part of the social security retirement system. The District contributes six point two percent of the fire fighters' wage.

14. FEDERAL COMPLIANCE CONTINGENCIES

The District receives federal grant monies which were spent according to grant specifics. Amount received for year ending December 31, 2004 \$ 11,712.00.

15. SUBSEQUENT EVENTS

There are no material subsequent events.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
ST. TAMMANY PARISH GOVERNMENT
STATEMENT OF REVENUE, EXPENDITURE, AND CHANGES
IN FUND BALANCES - (NON-GAAP)
BUDGET AND ACTUAL
FOR THE YEAR ENDING DECEMBER 31, 2004

	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$ 295,000.00	\$ 293,510.00	\$ 340,141.42	\$ 46,631.42
Intergovernmental revenues:				
State revenue sharing	18,000.00	18,241.00	23,297.00	5,056.00
Fire insurance rebate	13,000.00	14,075.00	14,075.07	0.07
Interest earnings	500.00	835.00	843.49	8.49
Billed services	500.00	2,555.00	2,555.00	-
Services/other	11,900.00	19,760.00	25,454.71	5,694.71
TOTAL REVENUES	338,900.00	348,976.00	406,366.69	67,390.69
EXPENDITURES				
Salaries and related expenditures	112,402.00	104,345.00	111,587.18	(7,242.18)
Insurance	36,365.00	39,522.00	40,617.61	(1,095.61)
Accounting	3,500.00	3,498.00	3,498.25	(0.25)
Dispatch	11,300.00	11,140.00	11,136.00	4.00
Repairs and maintenance	6,238.00	6,742.00	6,596.33	145.67
Telephone and utilities	14,750.00	11,606.00	11,986.11	(380.11)
Office supplies	2,000.00	978.00	2,173.11	(1,195.11)
Station and medical supplies	1,100.00	780.00	779.41	0.59
Vehicle operations	9,400.00	8,239.00	8,691.18	(452.18)
Training	9,000.00	2,460.00	3,279.85	(819.85)
Uniforms and apparel	3,700.00	1,110.00	1,106.77	3.23
Miscellaneous	-	161.00	161.33	(0.33)
Physical Fitness	-	2,600.00	2,600.00	-
Debt service and capital lease payments				
Principal	35,000.00	35,900.00	35,899.73	0.27
Interest	16,014.00	19,589.00	19,588.56	0.44
Capital outlay	85,459.00	96,499.00	96,412.94	86.06
TOTAL EXPENDITURES	346,228.00	346,169.00	356,114.36	(10,945.36)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,328.00)	3,807.00	50,252.33	46,445.33
FUND BALANCES, BEGINNING (NON-GAAP BUDGETARY BASIS)			310,673.93	
FUND BALANCES, ENDING (NON-GAAP BUDGETARY BASIS)			\$ 360,926.26	

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
ST. TAMMANY PARISH GOVERNMENT
PEARL RIVER, LOUISIANA

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

The district has a volunteer board. There is no compensation paid to board members.

See Accountant's Report

Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Board of Commissioners
St. Tammany Fire Protection District No. 11
St Tammany Parish Government
Pearl River, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of St. Tammany Fire Protection District No. 11 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about St. Tammany Fire Protection District No. 11's compliance with certain laws and regulations during the year ended December 31, 2004 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 and applicable standards of *Government Auditing Standards*. 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-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000 and no expenditure were made for public works exceeding \$100,000. We examined documentation, which indicated that expenditures of lesser amounts were made, that had resulted in phone and fax bids.

Code of Ethics for Public Officials and Public Employees

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

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

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

Management provided us with the required list.

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

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

Management provided us with a copy of the original budget and a revision of the budget.

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

We traced the adoption of the original budget to the minutes of a meeting held on December 31, 2003, which indicated that the commissioners of St. Tammany Fire Protection District No. 11 had adopted the budget, by a vote of 4 in favor. The commissioners approved the revised budget by a vote of 4 in favor.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 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; and

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

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

Each of the disbursements was traced to the district's minute book where they were approved by the full commission.

Meetings

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

Examined evidence-indicating compliance with open meetings 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 deposit slips and bank statements 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.

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

Our prior year report, dated May 14, 2004, 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 of St. Tammany Fire Protection District No. 11 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

David E. Moyle, CPA

May 11, 2005

St. Tammany Fire Protection District No. 11

PO Box 1210

Pearl River, Louisiana 70452

LOUISIANA ATTESTATION QUESTIONNAIRE

David and Jeffrey Moyle, CPAs, LLC

1312 Lakewood Drive, Suite C

Slidell, Louisiana 70458

In connection with your review of our financial statements as of December 31, 2005 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 regulations 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 May 11, 2005.

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 [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] 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 [] 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 [] 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.

Donna M. R. Christopher Secretary 5/11/05 Date

Treasurer _____ Date

President _____ Date

**Fire Protection District No 11
 Pearl River, Louisiana**

**Status of Prior Audit Findings
 For the Year Ended December 31, 2003**

<u>Ref. No.¹</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken^{2&3}</u>
Section I - Internal Control and Compliance Material to the Financial Statements:				
		<u>None</u>		
Section II - Internal Control and Compliance Material to Federal Awards:⁴				
		<u>None</u>		
Section III - Management Letter:				
		<u>None</u>		

**Fire Protection District No 11
 Pearl River, Louisiana**

**Current Year Findings, Recommendations and
 Corrective Action Plan**

For the Year Ended December 31, 2004

<u>Ref. No.¹</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken^{2&3}</u>
Section I - Internal Control and Compliance Material to the Financial Statements:				
		<u>None</u>		
Section II - Internal Control and Compliance Material to Federal Awards:⁴				
		<u>None</u>		
Section III - Management Letter:				
	<u>2004</u>	<u>Local Gov Budget Act. Budget was not adopted according to act.</u>	<u>Yes</u>	<u>Will plan budget adoption meeting within the laws of the Gov Budget Act.</u>