

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. 1**
Franklinton, Louisiana

Annual Financial Statements
As of and for the Year
Ended December 31, 2010

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 8/24/11

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**
Franklinton, Louisiana

TABLE OF CONTENTS
December 31, 2010

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-9
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET ASSETS.....	11
STATEMENT OF ACTIVITIES	12
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUND TYPE.....	14
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET ASSETS ..	15
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND TYPE	16
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES.....	17
NOTES TO THE FINANCIAL STATEMENTS	19-27
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCE – BUDGET (CASH BASIS) AND ACTUAL GENERAL FUND	29-30

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO.1**
Franklinton, Louisiana

TABLE OF CONTENTS – CONTINUED
December 31, 2010

	<u>Page</u>
OTHER SUPPLEMENTAL INFORMATION	
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS	32
OTHER REPORTS	
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	34-37
LOUISIANA ATTESTATION QUESTIONNAIRE	38-39
CURRENT YEAR FINDINGS	40
SUMMARY SCHEDULE OF PRIOR FINDINGS	41-42

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER, CPA, CrFA*
WILSON A. LaGRAIZE, JR., CPA, CrFA, CFF
ERNEST G. GELPI, CPA, CGFM
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA, CVA
MARY ANNE GARCIA, CPA
*A Professional Accounting Corporation

WILLIAM B. HAMILTON, CPA
KATHARINE M. LASSITER, CPA
RICHARD J. RUMNEY, CPA

Members
American Institute of CPA's
Society of Louisiana CPA's

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Commissioners
Washington Parish Fire Protection District No. 1
Franklinton, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Washington Parish Fire Protection District No. 1, a component unit of the Washington Parish Government, as of and for the year ended December 31, 2010 which collectively comprise the District's basic financial statements as listed in the Table of Contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Fund. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on page 4 through 9 and on pages 29 and 30 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.

In accordance with the Louisiana Government Audit Guide and the provisions of state law, we have issued a report dated June 28, 2011 on the results of our agreed-upon procedures on pages 34 through 37.

KUSHNER LAGRAIZE, L.L.C.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
June 28, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. I

Franklinton, Louisiana

Management's Discussion and Analysis

December 31, 2010

Introduction

Washington Parish Fire Protection District No. 1 (the District) is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standard Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments* (hereinafter referred to as GASB 34) and related standards.

The District's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the District's financial statements.

Financial Highlights

- Total assets at December 31, 2010, were \$1,328,312 and exceeded liabilities by \$673,501 (i.e., net assets). Of total net assets, \$264,187 was unrestricted and available to support short-term operations, restricted net assets of \$202,808 for debt service and with the balance of total net assets of \$206,506 invested in capital assets net of related debt.
- Ad valorem taxes of \$211,660 increased 3% over 2009 due to increase in taxable value of assessed property.
- The District's long term debt at December 31, 2010 was \$645,000 as compared to long term debt at December 31, 2009 of \$685,000. The decrease is due to the regular principle payment of \$40,000.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to basic financial statements and supplementary information. The MD&A presents an overview of management's examination and analysis of the District's financial condition and performance. The District's basic financial statements are comprised of three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. 1**

Franklinton, Louisiana

*Management's Discussion and Analysis
December 31, 2010*

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector businesses. These financial statements are reported using the full accrual accounting methods.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of net assets and the statement of activities display information about the District as a whole. These statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The modified accrual basis of accounting is used by the governmental funds.

Notes to financial statements. The notes to the financial statements provide required disclosures essential to the understanding of the financial statements. The notes present information about the District's accounting policies, significant account balances, account activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule.

Financial Analysis

The purpose of financial analysis is to help determine whether the Washington Parish Fire Protection District No. 1 is better off as a result of the current year's activities. In this analysis, data from two basic financial statements, the Statement of Net Assets, and the Statement of Activities and Changes in Net Assets, is presented below in condensed format. These statements report the net assets, the difference between assets and liabilities, and the change in net assets, which provides information for indicating the financial condition of the District. Following these statements is a separate schedule summarizing and analyzing budget changes for the current fiscal year.

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**
Franklinton, Louisiana

*Management's Discussion and Analysis
December 31, 2010*

Condensed Statement of Net Assets

	<u>December 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Assets:				
Current and other assets	\$ 476,806	\$ 432,095	\$ 44,711	10.35%
Capital assets	<u>851,506</u>	<u>908,373</u>	<u>(56,867)</u>	(6.26%)
Total Assets	<u>1,328,312</u>	<u>1,340,468</u>	<u>(12,156)</u>	(0.91%)
Liabilities:				
Current liabilities	9,811	8,931	(880)	(9.85%)
Long-term liabilities	<u>645,000</u>	<u>685,000</u>	<u>40,000</u>	5.84%
Total Liabilities	<u>654,811</u>	<u>693,931</u>	<u>39,120</u>	5.64%
Net Assets:				
Invested in capital assets, net	206,506	237,779	(31,273)	(13.15%)
Restricted	202,808	192,026	10,782	5.61%
Unrestricted	<u>264,187</u>	<u>216,732</u>	<u>47,455</u>	21.90%
Total Net Assets	<u>\$ 673,501</u>	<u>\$ 646,537</u>	<u>\$ 26,964</u>	4.17%

See page 11 for more detailed Statement of Net Assets for the District.

Government-Wide review of the condensed Statement of Net Assets

The composition of net assets and change in net assets over time serves as a useful indicator of a government's financial position. The District's assets at fiscal year-end exceed liabilities by \$673,501 (net assets). The balance of net assets includes \$206,506 Invested in Capital Assets, restricted assets of \$202,808 for debt service, and \$264,187 in Unrestricted Net Assets. The unrestricted net assets are available to meet the ongoing needs of the District.

The second largest category of net assets is Capital Assets, Net of Related Debt, totaling \$206,506 or 30% of net assets. The category reflects the total invested in capital assets (land, buildings, equipments, etc.) net of any related debt used to acquire capital assets. These assets are used to provide services to citizens and do not represent assets available for future spending.

At the end of the current fiscal year, the District reported a positive balance in all categories of net assets for the government as a whole, as well as for separate governmental activities.

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**
Franklinton, Louisiana

*Management's Discussion and Analysis
December 31, 2010*

Condensed Statement of Activities, and Changes in Net Assets

	December 31, <u>2010</u>	December 31, <u>2009</u>	Dollar Change	Percent Change
General Revenues				
Ad valorem taxes	\$ 211,660	\$ 205,427	\$ 6,233	3.03%
Other revenues	<u>16,538</u>	<u>17,021</u>	<u>(483)</u>	(2.84%)
Total Revenues	<u>228,198</u>	<u>222,448</u>	<u>5,750</u>	2.58%
Program Expenses				
Operating expenses	121,799	116,999	(4,800)	(4.10%)
Depreciation expense	<u>79,435</u>	<u>76,740</u>	<u>(2,695)</u>	(3.51%)
Total Expenses	<u>201,234</u>	<u>193,739</u>	<u>(7,495)</u>	(3.87%)
Change in Net Assets	26,964	28,709	(1,745)	(6.08%)
Net Assets, Beginning of Year	<u>646,537</u>	<u>617,828</u>	<u>28,709</u>	4.65%
Net Assets, End of Year	<u>\$ 673,501</u>	<u>\$ 646,537</u>	<u>\$ 26,964</u>	4.17%

While the Statement of Net Assets shows the change in financial position of Net Assets, the Statement of Activities and Changes in Net Assets provides answers to the nature and scope of these changes.

- Ad valorem taxes of \$211,660 are the most significant revenue source for the fiscal year ended December 31, 2010, at 93% of total revenues. The next largest revenue source is state revenue sharing at \$8,732 (4% of total revenues).
- The major expense within the statement of activities is depreciation of \$79,435 (39% of total expenses), followed by professional fees of \$28,495 (14%), interest expense of \$28,320 (14%), and insurance of \$ 20,021 (10%).

Budgetary Highlight

The proposed budget for 2010 was presented and adopted at the December 2009 board meeting. The budget is prepared on the cash basis of accounting, and all appropriations lapse at year-end. The General Fund budget was not amended during the fiscal year ended December 31, 2010. The District was in compliance with the State of Louisiana Budget Act.

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**

Franklinton, Louisiana

Management's Discussion and Analysis
December 31, 2010

**Budget vs. Actual for General Fund and Debt Service Combined –
Fiscal Year Ended December 31, 2010**

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES			
Ad valorem taxes general fund	\$ 88,000	\$ 104,719	\$ 16,719
Ad valorem taxes debt service fund	97,685	106,941	9,256
State revenue sharing	8,600	8,732	132
Insurance rebates	4,500	4,617	117
Interest income	3,335	1,549	(1,786)
Other income	<u>82</u>	<u>1,481</u>	<u>1,399</u>
Total Revenues	202,202	228,039	25,837
EXPENDITURES			
Insurance	26,400	20,021	6,379
Fuel, gas, and oil	8,000	8,242	(242)
Repairs and maintenance	16,000	5,318	10,682
Supplies	-	6,693	(6,693)
Capital Outlay	51,600	22,568	29,032
Legal	-	2,314	(2,314)
Utilities	7,300	5,863	1,437
Office expenses	2,200	982	1,218
Training	5,000	4,861	139
Rental	1,000	660	340
Professional fees	30,256	28,495	1,761
Principle payment	40,000	40,000	-
Interest expense	28,320	28,320	-
Pension expense	6,932	7,261	(329)
Administrative expenses	350	350	-
Other expenses	<u>1,000</u>	<u>1,220</u>	<u>(220)</u>
	<u>224,358</u>	<u>183,168</u>	<u>41,190</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(22,156)	44,871	67,027
FUND BALANCE, JANUARY 1, 2010	<u>386,588</u>	<u>386,588</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2010	<u>\$ 364,432</u>	<u>\$ 431,459</u>	<u>\$ 67,027</u>

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. 1**

Franklinton, Louisiana

*Management's Discussion and Analysis
December 31, 2010*

Capital Assets

At the end of the fiscal year December 31, 2010, the District had purchases of \$22,568 recorded in capital assets, less depreciation of \$79,435. Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statements. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful life:

Fire Stations	20-40 years
Fire Trucks and Other Trucks	15 years
Equipment, Furniture and Fixtures	5-15 years

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1989 have been valued using estimated historical cost.

Capital asset activity for the year ended December 31, 2010:

	<u>January 1, 2010</u>	<u>December 31, 2010</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Land	\$ 20,889	\$ 33,404	\$ 12,515	59.91%
Depreciable assets	1,192,777	1,202,830	10,053	0.84%
Less accumulated depreciation	<u>(305,293)</u>	<u>(384,728)</u>	<u>(79,435)</u>	<u>(26.02%)</u>
Net depreciable assets	<u>887,484</u>	<u>818,102</u>	<u>(69,382)</u>	<u>(7.82%)</u>
Net Capital Assets	<u>\$ 908,373</u>	<u>\$ 851,506</u>	<u>\$ (56,867)</u>	<u>(6.26%)</u>

The District purchased land for \$12,515, and various equipments for \$10,053.

Long-Term Debt

A schedule of changes in long-term debt:

	<u>Balance 1/1/2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/2010</u>
2007 General Obligation Bonds	<u>\$ 685,000</u>	<u>\$ _____</u>	<u>\$ (40,000)</u>	<u>\$ 645,000</u>

ECONOMIC FACTOR

The District management's approach is conservative. The board actively monitors revenues and expenses and evaluates the cost of all purchases and any proposed expansion projects. The primary source of revenues for the District is ad valorem taxes.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO.1**

Franklinton, Louisiana
STATEMENT OF NET ASSETS
December 31, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 223,922
Receivables	218,478
Protest tax 2010	12,452
Unamortized bond issue costs	13,222
Other receivable	8,732
Capital assets	
Land	33,404
Building, trucks, and equipment	1,202,830
Less accumulated depreciation	<u>(384,728)</u>
TOTAL ASSETS	1,328,312
LIABILITIES	
Accounts payable	2,550
Pension deduction from ad valorem tax	7,261
Long-term debt due in one year	40,000
Long-term debt due in more than one year	<u>605,000</u>
TOTAL LIABILITIES	<u>654,811</u>
NET ASSETS	
Invested in capital assets, net of related debt	206,506
Restricted for debt service	202,808
Unrestricted	<u>264,187</u>
TOTAL NET ASSETS	<u>\$ 673,501</u>

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**

Franklinton, Louisiana
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

PROGRAM EXPENSES

PUBLIC SAFETY:

Insurance expense	\$ 20,021
Fuel, gas, and oil	8,242
Repairs and maintenance	5,318
Supplies	6,693
Depreciation expense	79,435
Legal	2,314
Utilities	5,863
Office expense	982
Training expense	4,861
Rental	660
Professional fees	28,495
Administrative expense	350
Amortization bond issue costs	1,184
Deductions for pension expense	7,261
Interest expense	28,320
Other expenses	<u>1,235</u>

TOTAL PROGRAM EXPENSES 201,234

GENERAL REVENUES

Ad valorem taxes	211,660
State revenue sharing	8,732
Insurance rebates	4,617
Interest income	1,662
Other revenues	<u>1,527</u>

TOTAL GENERAL REVENUES 228,198

Change in Net Assets 26,964

Net Assets, beginning of year 646,537

Net Assets, end of year \$ 673,501

FUND FINANCIAL STATEMENTS

WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I
Franklinton, Louisiana

BALANCE SHEET- GOVERNMENTAL FUNDS
December 31, 2010

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 124,078	\$ 77,286	\$ 22,558	\$ 223,922
Receivables	109,761	108,717	-	218,478
Other receivable	8,732	-	-	8,732
Due from other funds	244	14,222	-	14,466
Protest tax 2010	<u>6,256</u>	<u>6,196</u>	<u>-</u>	<u>12,452</u>
TOTAL ASSETS	<u>\$ 249,071</u>	<u>\$ 206,421</u>	<u>\$ 22,558</u>	<u>\$ 478,050</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 2,550	\$ -	\$ -	\$ 2,550
Pension deductions from ad valorem tax	3,648	3,613	-	7,261
Due to other funds	<u>14,222</u>	<u>-</u>	<u>244</u>	<u>14,466</u>
TOTAL LIABILITIES	20,420	3,613	244	24,277
FUND BALANCE				
Reserved for debt service	-	202,808	-	202,808
Fund balance - unreserved	<u>228,651</u>	<u>-</u>	<u>22,314</u>	<u>250,965</u>
TOTAL FUND BALANCE	<u>228,651</u>	<u>202,808</u>	<u>22,314</u>	<u>453,773</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 249,071</u>	<u>\$ 206,421</u>	<u>\$ 22,558</u>	<u>\$ 478,050</u>

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO.1**
Franklinton, Louisiana

*Reconciliation of the Governmental Fund Balance Sheet
To the Government-Wide Financial Statement of Net Assets
December 31, 2010*

Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Fund Balance, Total Governmental Funds	\$ 453,773
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	
Governmental capital assets net of depreciation	851,506
Long-term liabilities and current bonds payable are not reported in the governmental funds.	
Long-term liabilities	(645,000)
Bond issue costs are reported as a current year expenditure in the governmental fund, but the bond issue costs are presented as an asset in the Statement of Net Assets and amortized over the life of the related bond.	
Bond issue costs, net of accumulated amortization	<u>13,222</u>
Net Assets of Governmental Activities	<u>\$ 673,501</u>

WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I
Franklinton, Louisiana

Statement of Revenues, Expenditures
and Changes in Fund Balance Governmental Funds
For the Year Ended December 31, 2010

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Ad valorem taxes	\$ 104,719	\$ 106,941	\$ -	\$ 211,660
State revenue sharing	8,732	-	-	8,732
Insurance rebates	4,617	-	-	4,617
Interest income	1,081	468	113	1,662
Other revenues	<u>1,399</u>	<u>82</u>	<u>46</u>	<u>1,527</u>
TOTAL REVENUES	120,548	107,491	159	228,198
EXPENDITURES				
Insurance expense	20,021	-	-	20,021
Fuel, gas, and oil	8,242	-	-	8,242
Repairs and maintenance	5,318	-	-	5,318
Supplies	6,693	-	-	6,693
Capital outlay	22,568	-	-	22,568
Legal	2,314	-	-	2,314
Utilities	5,863	-	-	5,863
Office expense	982	-	-	982
Training expense	4,861	-	-	4,861
Rental	660	-	-	660
Professional fees	26,239	2,256	-	28,495
Administrative expense	-	350	-	350
Deductions for pension expense	3,648	3,613	-	7,261
Debt service				
Principal retirement	-	40,000	-	40,000
Interest	-	28,320	-	28,320
Other expenses	<u>1,220</u>	<u>-</u>	<u>15</u>	<u>1,235</u>
TOTAL EXPENDITURES	<u>108,629</u>	<u>74,539</u>	<u>15</u>	<u>183,183</u>
Excess of Revenues Over Expenditures	11,919	32,952	144	45,015
Fund Balance, Beginning of Year	<u>216,732</u>	<u>169,856</u>	<u>22,170</u>	<u>408,758</u>
Fund Balance, End of Year	<u>\$ 228,651</u>	<u>\$ 202,808</u>	<u>\$ 22,314</u>	<u>\$ 453,773</u>

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**
Franklinton, Louisiana

*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds to
the Statement of Activities
For the Year Ended December 31, 2010*

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

Net Change in Fund Balance, Total Governmental Funds		\$ 45,015
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the costs of assets are allocated over their estimated useful lives and reported as depreciation in the current period.</p>		
Expenditures for capital outlay	22,568	
Less current depreciation	<u>(79,435)</u>	(56,867)
<p>Repayment of capital lease and long-term debt principal is an expenditure in governmental funds but the payment reduces long-term liabilities in the Statement of Net Assets.</p>		
Principal payments – certificate of indebtedness		40,000
<p>The governmental fund reports bond issue cost as an expenditure; whereas the Statement of Activities reports the bond issue cost as an asset, net of amortization expense.</p>		
Decrease in bond issue costs		<u>(1,184)</u>
Change in net assets of governmental activities		<u>\$ 26,964</u>

NOTES TO THE FINANCIAL STATEMENTS

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO.1**

Franklinton, Louisiana

*Notes To The Financial Statements
December 31, 2010*

INTRODUCTION

The Washington Parish Fire Protection District No. 1 (the District) was created on May 8, 1985 by the Washington Parish Government (formerly Police Jury) as provided by Louisiana Revised Statute 40:1492. The District is responsible for fire protection in the southwestern corner of Washington Parish.

The Board of Commissioners is responsible for the operation and maintenance of the District. The Board consists of five members appointed by the governing authority of Washington Parish. Each member must be an elector of Washington Parish and a resident of the District. The members serve staggered five-year terms, as fixed by the governing authority, without compensation.

The District covers approximately sixty-two square miles in the southwestern corner of Washington Parish and serves approximately 1,200 people. The District operates out of three fire stations which are located as follows: Station No. 1 (Bonner Creek Station) located at 43139 C. E. Stafford Road, Station No. 2 (Bethel Station) located at 19151 Pettitt Road and Station No. 3 (San Pedro Station) located at 15063 Hwy. 450. The District has no employees and operates with a voluntary staff of fire fighters.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The District is a component unit of the Washington Parish Government, the financial reporting entity. The Washington Parish Government is financially accountable for the District because it appoints the District's board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Washington Parish Government, the general government services provided by the governmental unit, or the other governmental units that comprise the financial reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the governmental activities of Washington Parish Fire Protection District No. 1. The effect of inter-fund activity has been removed from these statements.

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**

Franklinton, Louisiana

Notes To The Financial Statements - Continued

December 31, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Government-Wide and Fund Financial Statements - Continued

The District does not have any business-type activities and reports only governmental activities. Governmental activities are supported by ad valorem tax collections dedicated to acquire fire protection equipment and to provide support of fire protection activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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. The District reports only general revenues.

All individual governmental funds are reported as separate columns in the fund financial statements.

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. 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 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.

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. 1**

Franklinton, Louisiana

Notes To The Financial Statements - Continued
December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. State revenue sharing is appropriated by the legislature at the end of the calendar year and is recorded in the year of appropriation. All other revenue items are considered to be measurable and available only when cash is received by the District.

Washington Parish Fire District No. 1 reports the following governmental funds:

General Fund

The general fund is the primary operating fund of the District. It accounts for all financial resources, except those required to be accounted for in other funds.

Debt Service Fund

The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Fund

The capital projects fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

The effect of inter-fund activity has been eliminated from the government-wide financial statements.

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. The District reported only general revenues consisting of ad valorem taxes, state revenue sharing, fire insurance rebates, interest income, and other income not restricted for specific purposes.

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. 1**

Franklinton, Louisiana

Notes To The Financial Statements - Continued

December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

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.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the law of the United States.

Receivables

Receivables are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

Due To/From Other Funds

These amounts represent ad valorem taxes of the debt service fund deposited in the general fund.

Restricted Assets

These accounts contain resources for capital projects and debt service.

Capital Assets

Capital assets, which include land, buildings, and equipment are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market values at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing assets.

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

WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. 1
Franklinton, Louisiana

Notes To The Financial Statements - Continued
December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets - Continued

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

Fire Stations	20-40 Years
Fire Trucks and Other Trucks	15 Years
Equipment, Furniture and Fixtures	5-15 Years

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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.

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.

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 the reported amount 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. Accordingly, actual results could differ from those estimates.

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. 1**

Franklinton, Louisiana

Notes To The Financial Statements - Continued

December 31, 2010

NOTE-2 LEVIED TAXES

On November 7, 2006, the voters of the District passed a 10-year, 8.46 mill property tax renewal for acquiring, constructing, improving, and operating fire protection facilities and equipment in and for the District, including the cost of obtaining water for fire protection purposes. For the period covered by these financial statements, the millage was set at 7.93 mills.

On November 7, 2006, the voters of the District passed a 10 year, 5 mill property tax renewal for acquiring, constructing, improving, and operating fire protection facilities and equipment in and for the District, including the cost of obtaining water for fire protection purposes. For the period covered by these financial statements, the millage was set at 4.69 mills.

On November 7, 2006, the voters of the District authorized the District to incur debt and issue \$735,000 of 15-year general obligation bonds for acquiring, constructing, and improving buildings, machinery and equipment. The bonds will be payable from ad valorem taxes to be levied and collected. For the period covered by these financial statements, the millage was set at 12.50 mills.

Property taxes are levied on a calendar year basis and become due on January 1, of each year.

Assessed millages for the year 2010 were as follows:

2010 assessed value of taxable property	\$ 8,697,390
7.93 mill tax (less pension deduction)	68,970
4.69 mill tax (less pension deduction)	40,791
12.50 mill tax (less pension deduction)	108,717

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Information

The budget for the year ended December 31, 2010, was adopted at the District's regular meeting on December 16, 2009. Act 552 of the 2004 Legislative Session eliminated the public participation requirement for general funds with less than \$500,000 in expenditures. The budget is prepared and reported on the cash basis of accounting. All appropriations lapse at year-end. Formal budget integration (within the accounting records) is employed as a management control device. Changes or amendments are made upon approval of the Board of Commissioners. The District does not use encumbrance accounting.

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**

Franklinton, Louisiana

Notes To The Financial Statements - Continued
December 31, 2010

NOTE 4 - CASH

At December 31, 2010, the District had cash (book balances) totaling \$223,922 as follows:

Demand deposits	\$ -
Interest-bearing demand deposits	176,634
Time deposits	<u>47,288</u>
 Total Cash	 <u>\$ 223,922</u>

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

At December 31, 2010, the Washington Parish Fire Protection District No. I had \$227,070 in deposits (collected bank balances). These deposits were secured from risk by \$227,070 of federal deposit insurance.

NOTE 5 - RECEIVABLES

Receivables of \$239,662 at December 31, 2010 are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Ad valorem taxes	\$ 109,761	\$ 108,717	\$ 218,478
State revenue sharing	8,732	-	8,732
Protest tax 2010	<u>6,256</u>	<u>6,196</u>	<u>12,452</u>
 Total	 <u>\$ 124,749</u>	 <u>\$ 114,913</u>	 <u>\$ 239,662</u>

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**

Franklinton, Louisiana

Notes To The Financial Statements - Continued
December 31, 2010

NOTE 6 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2010 are as follows:

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Vehicles and Equipment</u>	<u>Total</u>
Capital assets				
December 31, 2009	\$ 20,889	\$ 98,119	\$ 1,094,658	\$ 1,213,666
Additions	12,515	-	10,053	22,568
Deletions	-	-	-	-
Capital assets				
December 31, 2010	33,404	98,119	1,104,711	1,236,234
Accumulated depreciation				
December 31, 2009	-	(31,957)	(273,336)	(305,293)
Additions	-	(2,486)	(76,949)	(79,435)
Deletions	-	-	-	-
Accumulated depreciation				
December 31, 2010	-	(34,443)	(350,285)	(384,728)
Capital assets, net of accumulated depreciation				
at December 31, 2010	<u>\$ 33,404</u>	<u>\$ 63,676</u>	<u>\$ 754,426</u>	<u>\$ 851,506</u>

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2010:

	<u>December 31, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2010</u>
2007 General Obligation Bonds	<u>\$ 685,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 645,000</u>

All District bonds outstanding at December 31, 2010 are general obligation bonds with maturities from March 1, 2011 to March 1, 2022 and interest rates from .10% to 6%. Bond principal and interest payable in 2011 are \$40,000 and \$27,900, respectively.

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. 1**

Franklinton, Louisiana

Notes To The Financial Statements - Continued
December 31, 2010

NOTE 7 – LONG-TERM OBLIGATIONS - Continued

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the District. At December 31, 2010, the Washington Parish Fire Protection District No. 1 has accumulated \$202,808 in the debt service fund for future debt requirements. The bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Totals</u>
2011	\$ 40,000	\$ 27,900	\$ 67,900
2012	45,000	26,825	71,825
2013	45,000	25,250	70,250
2014	45,000	23,394	68,394
2015	50,000	21,313	71,313
2016-2020	285,000	67,251	352,251
2021-2022	<u>135,000</u>	<u>6,757</u>	<u>141,757</u>
 TOTAL	 <u>\$ 645,000</u>	 <u>\$ 198,690</u>	 <u>\$ 843,690</u>

The bonds maturing on March 1, 2018, and thereafter, are callable for redemption at the option of the issuer in full or in part at any time on or after March 1, 2017.

In accordance with R.S. 39:562, the Washington Parish Fire Protection District No. 1 is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property. At December 31, 2010 the statutory limit is \$869,000, and the outstanding bonded debt totals \$645,000.

NOTE 8 – LITIGATION AND CLAIMS

As of December 31, 2010, the District was not involved in any outstanding litigation or claims.

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to limited torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to personnel, and natural disasters. These risks are covered, in part, by commercial insurance. Settlements have not exceeded insurance coverage in each of the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**

Franklinton, Louisiana

*Schedule of Receipts, Disbursements and Changes in
Cash Balance-Budget (Cash Basis) and Actual General Fund
For the Year Ended December 31, 2010*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
RECEIPTS				
Ad valorem taxes	\$ 88,000	\$ 88,000	\$ 104,719	\$ 16,719
State revenue sharing	8,600	8,600	8,732	132
Insurance rebates	4,500	4,500	4,617	117
Interest income	2,900	2,900	1,081	(1,819)
Other revenues	<u>-</u>	<u>-</u>	<u>1,399</u>	<u>1,399</u>
TOTAL RECEIPTS	<u>104,000</u>	<u>104,000</u>	<u>120,548</u>	<u>16,548</u>
DISBURSEMENTS				
Fuel, gas, and oil	8,000	8,000	8,242	(242)
Repairs and maintenance	16,000	16,000	5,318	10,682
Capital outlay	51,600	51,600	22,568	29,032
Supplies	-	-	6,693	(6,693)
Legal	-	-	2,314	(2,314)
Insurance expense	26,400	26,400	20,021	6,379
Office expense	2,200	2,200	982	1,218
Professional fees	28,000	28,000	26,239	1,761
Utilities	7,300	7,300	5,863	1,437
Rental	1,000	1,000	660	340
Training expense	5,000	5,000	4,861	139
Deductions for pension expense	3,500	3,500	3,648	(148)
Other expenses	<u>1,000</u>	<u>1,000</u>	<u>1,220</u>	<u>(220)</u>
TOTAL DISBURSEMENTS	<u>150,000</u>	<u>150,000</u>	<u>108,629</u>	<u>41,371</u>

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**
Franklinton, Louisiana

*Schedule of Receipts, Disbursements and Changes in
Cash Balance-Budget (Cash Basis) and Actual General Fund-Continued
For the Year Ended December 31, 2010*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Excess of receipts over (under) disbursements	\$ (46,000)	\$ (46,000)	\$ 11,919	\$ 57,919
Payments from other funds	<u>-</u>	<u>-</u>	<u>4,522</u>	<u>4,522</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,522</u>	<u>4,522</u>
Excess of receipts and other sources (uses) over (under) disbursements	<u>\$ (46,000)</u>	<u>\$ (46,000)</u>	16,441	<u>\$ 62,441</u>
Cash balance at beginning of year			<u>107,637</u>	
Cash balance at end of year			124,078	
Adjustments to conform to GAAP:				
Receivables, end of year			124,993	
Liabilities, end of year			<u>(20,420)</u>	
Fund balance, end of year (GAAP basis)			<u>\$ 228,651</u>	

OTHER SUPPLEMENTAL INFORMATION

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**
Franklinton, Louisiana

*Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2010*

<u>Board Member</u>	<u>Amount</u>
Edward Glockner, President	None
Barry Coco	None
Dawin Sharp	None
Jauan King	None
Ronnie Seal	None

OTHER REPORTS

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER, CPA, CIFA*
WILSON A. LaGRAIZE, JR., CPA, CIFA, CFF
ERNEST G. GELPL, CPA, CGFM
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA, CVA
MARY ANNE GARCIA, CPA
*A Professional Accounting Corporation

WILLIAM B. HAMILTON, CPA
KATHARINE M. LASSITER, CPA
RICHARD J. RUMNEY, CPA

Members
American Institute of CPA's
Society of Louisiana CPA's

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Washington Parish Fire Protection District No. 1
Franklinton, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Washington Parish Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Washington Parish Fire Protection District No. 1's compliance with certain laws and regulations during the year ended December 31, 2010 included in the accompanying *Louisiana Attestation Questionnaire*. Management of Washington Parish Fire Protection District No. 1 is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation 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 this 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 \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law).

No expenditures were made during the year for materials and supplies that exceeded \$20,000, nor were there any expenditures for public works made during the year that exceeded \$100,000.

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 R.S. 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.

There are no employees paid through the Washington Parish Fire Protection District No. 1.

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.

There are no employees paid through the Washington Parish Fire Protection District No. 1.

Budgeting

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

Management provided us with a copy of the approved budget for the year ended December 31, 2010.

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 16, 2009 which indicated that the budget had been adopted by the Board of Commissioners of Washington Parish Fire Protection District No. 1. There were no amendments to the original budget.

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 exceeded budgeted revenues and expenditures 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;

We examined each of the six disbursements and found that payment was properly coded to the correct fund and general ledger account.

- c. determine whether payments received approval from proper authorities.

All six of the payments examined were approved by the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:1 through 42:13 (the open meetings law).

Washington Parish Fire Protection District No. 1 is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Management provided us with the notices and agendas for the board meetings held on January 12, 2010, February 9, 2010, March 9, 2010, April 13, 2010, May 2, 2010, May 11, 2010, July 13, 2010, August 10, 2010, September 14, 2010, October 12, 2010, and December 21, 2010. No supporting evidence could be provided for the meetings held on June 8, 2010, November 9, 2010, and December 14, 2010.

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 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 that may constitute bonuses, advance, or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted. However, the District had no employees during the year. We inspected the District's 2010 cumulative general ledger and noted no payments to others which would constitute advances or gifts.

Prior Comments and Recommendations

See Summary Schedule of Prior Findings.

We were not engaged to perform, and did not perform, an audit, 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 Washington Parish Fire Protection District No. 1 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.

Kushner LaGraize, L.L.C.

June 28, 2011

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

6/10/11 (Date Transmitted)

Kushner LaGraize, L.L.C.
3330 West Esplanade Ave., Suite 100
Metairie, LA 70002
(Auditors)

In connection with your review 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 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 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the 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 R.S. 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 R.S. 42:1119.
Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.
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 R.S. 44:1, 44:7, 44:31, and 44:36.
Yes No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.
Yes No []

We have had our financial statements reviewed in accordance with R.S. 24:513.
Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

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 R.S. 39:1410.60-1410.65.

Do have a Bond

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, R.S. 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 that may occur subsequent to the issuance of your report.

6/9/11 Lisa Polkey (LP) Secretary
 Date _____

6/9/11 Lea Glockner Treasurer
 Date _____

6/17/11 Ed Mo President
 Date _____

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**

Franklinton, Louisiana

*Corrective Action Plan For Current Year Findings
For the Year Ended December 31, 2010*

Section I – Internal Control Over Financial Reporting

None.

Section II – Compliance and Other Matters

Reference Number: 2010-1

Description of Finding:

The Louisiana Open Meetings Law (LSA-R.S. 42:1 through 42:13) requires that all public bodies shall give written public notice of their regular meetings. During our review, we requested notices of the Board of Commissioner's meetings of the District for the year ended December 31, 2010. We were informed that notices for the meetings that took place on June 8, 2010, November 9, 2010, and December 14, 2010 were not available.

Corrective Action Planned:

In the future, the District plans to comply with the Open Meetings Law.

Name of Contact person:

Ed Glockner.

Anticipated Completion Date:

December 31, 2011

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO. I**
Franklinton, Louisiana

*Summary Schedule of Prior Findings
For the Year Ended December 31, 2010*

Section I – Internal Control Over Financial Reporting

None.

Section II – Compliance and Other Matters

Reference Number: 2009-1

Fiscal Year Finding Initially Occurred: 2009

Description of Finding:

Annual financial reports of local governments are required by Louisiana law (R.S. 24:513) to be completed within six months after the year end.

The District's financial report was not completed by June 30, 2010.

Corrective Action Taken: Yes

Description of Action Taken:

The District will complete and submit the annual financial report for the year ended December 31, 2010 within six months of its year end.

Name of Contact Person:

Ed Glockner.

Anticipated Completion Date:

N/A.

Reference Number: 2009-2

Fiscal Year Finding Initially Occurred: 2009

**WASHINGTON PARISH
FIRE PROTECTION DISTRICT NO.1**
Franklinton, Louisiana

*Summary Schedule of Prior Findings - Continued
For the Year Ended December 31, 2010*

Description of Finding:

The District was not in compliance with the Local Government Budget Act. The budget was amended in November and December 2009, but, there was no mention of the budget amendments in the minutes. Also, there was no evidence of a budget message signed by the budget preparer and no evidence that the budget was made available for public inspection.

Corrective Action Taken: Yes.

Description of Action Taken:

The District complied with the Local Government Budget Act for 2010.

Name of Contact Person:

Ed Glockner.

Anticipated Completion Date:

N/A.