

**WARD FIVE FIRE PROTECTION DISTRICT NO. 1
MOREHOUSE PARISH POLICE JURY
Oak Ridge, Louisiana**

**Component Unit Financial Statements
As of and for the Year Ended
December 31, 2011**

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 APR 18 2012

Ward Five Fire Protection District No. 1
Morehouse Parish Police Jury
Oak Ridge, Louisiana

Component Unit Financial Statements
As of and for the Year Ended December 31, 2011
With Supplemental Information

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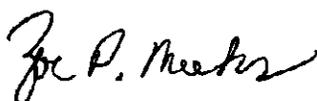
Board of Commissioners
Ward Five Fire Protection District No 1
of Morehouse Parish
Morehouse Parish Police Jury
Oak Ridge, Louisiana

I have compiled the accompanying component unit financial statements of Ward Five Fire Protection District No. 1 of Morehouse Parish (the District), a component unit of the Morehouse Parish Police Jury, as of December 31, 2011 and for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management 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.

My responsibility is to conduct the compilation in accordance with Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting the financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During my compilation, I did become aware of a departure from accounting principles generally accepted in the United States of America that is described in the following paragraph.

As disclosed in Note A to the financial statements, accounting principles generally accepted in the United States of America require State and Local Governments to adopt and report under Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus." Management has informed me that the District is not presenting its financial statements under those standards. Those standards require that the District report information regarding its financial position by governmental activities, business-type activities, each major fund, and the aggregate remaining fund information that comprise the District's basic financial statements. The standards also require that a management's discussion and analysis be included as supplementary information. The effect of these departures from accounting principles generally accepted in the United States of America on financial position, results of operation, and cash flows have not been determined



March 22, 2012

WARD FIVE FIRE PROTECTION DISTRICT NO. 1
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY

TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

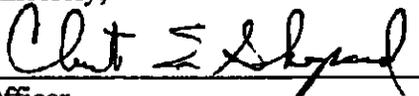
March 23, 2012

Ms. Suzanne Elliot
Office of Legislative Auditor
1600 North Third
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Ms. Elliot.

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Ward Five Fire Protection District No. 1 of Morehouse Parish as of and for the fiscal year ended December 31, 2011. The report includes all funds under the control and oversight of the district. The accompanying financial statements have been prepared on the modified accrual basis of accounting. The statements are not prepared in accordance with the provisions of Government Accounting Standards Board Statement No. 34

Sincerely,



Officer

Enclosure

WARD FIVE FIRE PROTECTION DISTRICT NO. 1
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Oak Ridge, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet

December 31, 2011

	GOVERNMENTAL FUND - <u>GENERAL FUND</u>	ACCOUNT GROUP- GENERAL FIXED <u>ASSETS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$375,530	\$ -	\$375,530
Receivables - ad valorem taxes	61,441	-	61,441
Land, buildings, vehicles and equipment	<u>-</u>	<u>810,762</u>	<u>810,762</u>
TOTAL ASSETS	<u>436,971</u>	<u>810,762</u>	<u>1,247,733</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities - accounts payable	<u>325</u>	<u>-</u>	<u>325</u>
Fund Equity:			
Investment in general fixed assets	-	810,762	810,762
Fund balance-unreserved- undesignated	<u>436,646</u>	<u>-</u>	<u>436,646</u>
Total Fund Equity	<u>436,646</u>	<u>810,762</u>	<u>1,247,408</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$436,971</u>	<u>\$810,762</u>	<u>\$1,247,733</u>

See accompanying notes and accountants' report

WARD FIVE FIRE PROTECTION DISTRICT NO. 1
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Oak Ridge, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 2011

REVENUES

Ad valorem taxes	\$ 63,609
Intergovernmental revenues-	
Morehouse Parish Police Jury	
- 2 per cent fire insurance rebate	3,148
Interest earnings	<u>2,236</u>
TOTAL REVENUES	<u>68,993</u>

EXPENDITURES

General government - other general	
administration - retirement system contribution	2,161
Public safety - fire protection:	
Professional fees	2,015
Insurance	8,663
Office expense	258
Repairs and maintenance	2,340
Training and education	-
Utilities	2,160
Operations	338
Capital Outlay	<u>-</u>
TOTAL EXPENDITURES	<u>17,935</u>
EXCESS OF REVENUES OVER EXPENDITURES	51,058
FUND BALANCE AT BEGINNING OF YEAR	<u>385,588</u>
FUND BALANCE AT END OF YEAR	<u>\$436,646</u>

See accompanying notes and accountants' report.

WARD FIVE FIRE PROTECTION DISTRICT NO 1
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Oak Ridge, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Ad valorem taxes	\$ 30,000	\$ 61,449	31,449
Intergovernmental revenues - Morehouse Parish Police Jury			
- 2 per cent fire rebate	3,000	3,147	147
Interest earnings	<u>5,000</u>	<u>2,236</u>	<u>(2,764)</u>
	<u>38,000</u>	<u>66,832</u>	<u>28,832</u>
 <u>EXPENDITURES</u>			
General government - other general administration - retirement system contribution	-	-	-
Public safety - fire protection.			
Professional	2,000	2,015	(15)
Insurance	10,000	8,663	1,337
Office and training	1,500	258	1,242
Repairs and maintenance	5,000	2,340	2,660
Utilities	3,000	2,160	840
Operations	800	338	462
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
TOTAL EXPENDITURES	<u>27,300</u>	<u>15,774</u>	<u>11,526</u>
EXCESS OF REVENUES OVER EXPENDITURES	10,700	51,058	40,358
FUND BALANCE AT BEGINNING OF YEAR	<u>385,588</u>	<u>385,588</u>	-
FUND BALANCE OF END OF YEAR	<u>\$396,288</u>	<u>\$436,646</u>	<u>\$40,358</u>

See accompanying notes and accountants' report

**WARD FIVE FIRE PROTECTION DISTRICT NO. 1
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Oak Ridge, Louisiana**

**Notes to the Financial Statements
As of and for the year Ended December 31, 2011**

INTRODUCTION

Ward Five Fire Protection District No. 1 of Morehouse Parish was created by resolution of the Morehouse Parish Police Jury on May 4, 1965, for the purpose of purchasing and maintaining fire equipment and providing fire protection for the people of Ward Five of Morehouse Parish. The district is governed by a board of commissioners consisting of five members. The commissioners are appointed by the Morehouse Parish Police Jury for terms of two years. Commissioners receive no compensation for the services. The district has no employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF PRESENTATION

The accompanying financial statements of Ward Five Fire Protection District No. 1 of Morehouse Parish have been prepared in conformity with generally accepted principles (GAAP) as applied to governmental units, with the exception that as referred to in the compilation report the district did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34. This is considered a departure from generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Morehouse Parish Police Jury is the financial reporting entity for Morehouse Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Morehouse Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or

**WARD FIVE FIRE PROTECTION DISTRICT NO. 1
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Oak Ridge, Louisiana
Notes to the Financial Statements (Continued)**

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- 2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Morehouse Parish Police Jury appoints the governing board and because the district operates within the geographical boundaries of Morehouse Parish, the district was determined to be a component unit of the Morehouse Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. FUND ACCOUNTING

The district uses a fund (General Fund) and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The General Fund of the district is classified as a governmental fund. It accounts for the district's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition or construction of fixed assets.

**WARD FIVE FIRE PROTECTION DISTRICT NO. 1
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Oak Ridge, Louisiana
Notes to the Financial Statements (Continued)**

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using the flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of the General Fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund used the following practices in recording revenues and expenditures:

REVENUES

Ad valorem taxes are recorded in the year the taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on January 1. The taxes are generally collected in December of the current year and January and February of the ensuing year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

Interest income on time deposits is recorded at the end of each quarter when credited by the bank.

Intergovernmental revenues are recorded when the district is entitled to the funds

EXPENDITURES

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred

E. BUDGET PRACTICE

A budget for the ensuing year is prepared by the chairman and approved by the board of directors prior to December 31 of each year during the board's regular December meeting. The proposed budget was prepared on the modified accrual basis of accounting. The budget was legally adopted by the board of commissioners on December 27, 2010. The board reserves all authority to make changes to the budget. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. Neither encumbrance accounting nor formal budget integration (within the accounting records) are employed as management control devices.

**WARD FIVE FIRE PROTECTION DISTRICT NO 1
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Oak Ridge, Louisiana
Notes to the Financial Statements (Continued)**

The budget comparison statement included in the accompanying financial statements reflects the original adopted budget as no amendments were made during the year.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in interest bearing demand deposits and cash equivalents include amounts in time deposits with original maturities of twelve months or less. Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. FIXED ASSETS, LONG-TERM DEBT, AND LEASES

Fixed assets are recorded as expenditures at the time of purchase or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Of the \$810,762 of fixed assets reported on the balance sheet, \$804,915 or 99.3 per cent, are valued at cost while the remaining \$5,847 or .7 per cent, are valued at management's best estimate of original cost. The District owns no land but leases its fire station site from the Village of Oak Ridge, Louisiana under a 25 year operating lease agreement which began on October 1, 2006 with an automatic option to renew the lease for an additional 25 year period. The rental is \$100 per year due on October 15 of each year.

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

Any long-term debt incurred is recorded as other financing sources, and the related liability is reported in the general long-term debt account group. Repayment of the debt is recorded as an expenditure and the related reduction of principal is recorded in the general long-term debt account group when payment is made. The district has no long-term debt at December 31, 2011

H. COMPENSATED ABSENCES AND PENSION PLAN

The district does not have any full time employees; therefore, it does not have a formal vacation or sick leave policy and does not contribute to a pension plan.

WARD FIVE FIRE PROTECTION DISTRICT NO. 1
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Oak Ridge, Louisiana
Notes to the Financial Statements (Continued)

I TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation

2. LEVIED TAXES

The district is authorized to levy a maximum of 4.50 mills annually on property within the district for maintenance and operation of the district. The district levied 4.50 mills for the year 2010. On October 11, 2010, the 4.50 mill property tax was renewed for a ten year period beginning with the year 2010 and ending with the year 2019.

3. CASH AND CASH EQUIVALENTS

At December 31, 2011, the district has cash and cash equivalents (book balances) totaling \$375,530 as follows:

Interest bearing demand deposits	\$ 3,019
Savings and time deposits	<u>372,511</u>
Total	<u>\$375,530</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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 bank. 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, 2011, the district had \$375,530 in deposits (collected bank balances). These deposits were secured from risk by \$253,019 of federal deposit insurance (GASB Category 1) and \$122,511 of securities held by the pledging financial institution's trust department or agency in the district's name (GASB Category 3) Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand

WARD FIVE FIRE PROTECTION DISTRICT NO 1
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Oak Ridge, Louisiana
Notes to the Financial Statements (Continued)

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets (land, buildings, vehicles, and equipment) for the year ended December 31, 2011 follows:

	Balance January 1, <u>2011</u>	<u>Additions</u>	<u>Disposals</u>	Balance December 31, <u>2011</u>
Land	\$ 1,352	\$ -	\$ -	\$ 1,352
Buildings	294,417	-	-	294,417
Vehicles	456,039	-	-	456,039
Equipment	<u>58,954</u>	<u>-</u>	<u>-</u>	<u>58,954</u>
Totals	<u>\$810,762</u>	<u>\$ -</u>	<u>-</u>	<u>\$810,762</u>

6. LITIGATION AND CLAIMS

The District is not involved in any litigation or aware of any claims at December 31, 2011.

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. There has been no significant reduction in insurance coverage from that of the previous year.

**WARD FIVE FIRE PROTECTION DISTRICT NO. 1
MOREHOUSE PARISH POLICE JURY
Oak Ridge, Louisiana
Supplemental Information Schedule
For the Year Ended December 31, 2011**

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

There was no compensation paid to Board Members during the year ended December 31, 2011.

See accountants' report.