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FINANCIAL STATEMENTS AND ACCOUNTANT'S COMPILATION REPORT

**FIRE PROTECTION GRANT OF
PIERRE PART-BELLE RIVER VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Pierre Part-Belle River, Louisiana
December 31, 2004**

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 7-20-05

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Certified Public Accountants • Business Advisors

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Commissioners of
Pierre Part-Belle River Volunteer Fire Department
Pierre Part-Belle River, Louisiana

We have compiled the accompanying fire protection grant financial statements of Pierre Part-Belle River Volunteer Fire Department received from Assumption Parish Police Jury, Pierre Part-Belle River, Louisiana, as of and for the year ended December 31, 2004, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

As discussed in Note A, the financial statements present only the fire protection grant from Assumption Parish Police Jury and are not intended to present fairly the financial position and results of operations of Pierre Part-Belle River Volunteer Fire Department, in conformity with accounting principles generally accepted in the United States of America.

The Pierre Part-Belle River Volunteer Fire Department did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2004. The effects of this departure from generally accepted accounting principles have not been determined.

Waguespack + Gallagher, LLC

June 22, 2005

**FIRE PROTECTION GRANT OF
PIERRE PART-BELLE RIVER VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Pierre Part-Belle River, Louisiana**

**BALANCE SHEET - FIRE PROTECTION GRANT
December 31, 2004
(See Accountant's Compilation Report)**

	<u>Special Revenue Fund-Fire Protection Grant</u>	<u>General Fixed Assets Acquired With Grant Funds</u>	<u>Total (Memorandum Only)</u>
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 121,514	\$ -	\$ 121,514
Due From Volunteer Fund	55	-	55
Receivable-Fire Protection Grant	939	-	939
General Fixed Assets-Grant:			
Fire protection facilities and equipment	<u>-</u>	<u>687,850</u>	<u>687,850</u>
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 122,508</u>	<u>\$ 687,850</u>	<u>\$ 810,358</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
Equity and Other Credits:			
Investments in general fixed assets-grant funds	-	687,850	687,850
Fund balance-unreserved, undesignated	<u>122,508</u>	<u>-</u>	<u>122,508</u>
TOTAL EQUITY AND OTHER CREDITS	<u>122,508</u>	<u>687,850</u>	<u>810,358</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 122,508</u>	<u>\$ 687,850</u>	<u>\$ 810,358</u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION GRANT OF
 PIERRE PART-BELLE RIVER VOLUNTEER FIRE DEPARTMENT
 (RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
 Pierre Part-Belle River, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE -
 SPECIAL REVENUE FUND
 FIRE PROTECTION GRANT
 For the Year Ended December 31, 2004
 (See Accountant's Compilation Report)**

REVENUES

Intergovernmental revenues-	
Fire protection grant from	
Assumption Parish Police Jury	\$ 85,617
Fire insurance rebate	12,225
Use of money and property-	
Interest earnings	248
Other revenue	<u>100</u>

TOTAL REVENUES 98,190

EXPENDITURES

Current operating	
Public safety	36,485
Capital outlay	
Public safety	<u>8,364</u>

TOTAL EXPENDITURES 44,849

**EXCESS (DEFICIENCY) OF REVENUES
 OVER EXPENDITURES** 53,341

FUND BALANCE AT BEGINNING OF YEAR 69,167

FUND BALANCE AT END OF YEAR \$ 122,508

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION GRANT OF
PIERRE PART-BELLE RIVER VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Pierre Part-Belle River, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fire Protection Grant of Pierre Part-Belle River Volunteer Fire Department received from Assumption Parish Police Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the fire department's accounting policies are described below.

FINANCIAL REPORTING ENTITY - On April 18, 1991, the Assumption Parish Police Jury entered into a grant agreement with Pierre Part-Belle River Volunteer Fire Department of Assumption Parish. The fire protection grant was for the purpose of acquiring, maintaining, and operating buildings, machines, water tanks, water hydrants, water lines and any other things necessary to provide proper fire prevention and control of the property within the boundaries of the department.

The volunteer fire department is a privately created quasi-public corporation that is subject to the grant provisions of its funding agency. The board members are not appointed by the police jury. The volunteer fire department is not fiscally dependent on the police jury and the nature and significance of their relationship with the police jury is not such that their exclusion would render the police jury's financial statements incomplete or misleading. Therefore, the volunteer fire department is a separate special purpose government.

The accompanying financial statements present information only on the fire protection grant received by the fire department from the Assumption Parish Police Jury and do not present information on the Police Jury, the general government services provided by that governmental unit, and other governmental units that comprise the Police Jury's reporting entity, nor any other non grant funds received by the fire department. Pierre Part-Belle River Volunteer Fire Department of Assumption Parish has no component units.

FUND ACCOUNTING - The fire department is organized and operated on the basis of a fund and account group whereby a separate, self balancing set of accounts is maintained that comprises its assets, liabilities, fund equity, revenues, and expenditures.

SPECIAL REVENUE FUND - The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

MEMORANDUM ONLY-TOTAL COLUMN - The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

BASIS OF ACCOUNTING - Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The fire department's records are maintained on a cash basis of accounting. However, the fund, as reported in the accompanying financial statements, has been converted to a modified accrual basis of accounting using the following practices in recording revenues and expenditures:

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Pierre Part-Belle River, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues are recognized in the accounting period in which they become susceptible to accrual-that is when they become measurable and available to finance expenditures of the fiscal period.

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

BUDGET PRACTICE - The fire department adopts an annual budget based on anticipated revenues consistent with generally accepted accounting principles. Annual appropriations of funds are not made. Budgetary accounts are not integrated in the formal accounting system. Encumbrance accounting is not followed because of the small number of transactions involved.

CASH AND CASH EQUIVALENTS - For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit. Amounts are classified as cash equivalents if the original maturities are 90 days or less. Under state law, the department may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana and national banks having their principal offices in Louisiana. Further, the department may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

GENERAL FIXED ASSETS AND LONG-TERM LIABILITIES - Fixed assets are accounted for in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs. The account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations. It is the policy of the department not to capitalize interest. As the department has no infrastructure assets, no accounting policy for infrastructure assets has been adopted.

PENSION PLAN AND VACATION AND SICK LEAVE - All members of the fire department are volunteers. Therefore, the fire department does not contribute to a pension plan and does not have a formal vacation and leave policy.

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Pierre Part-Belle River, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2004**

NOTE B - CASH AND CASH EQUIVALENTS

At December 31, 2004, the department had cash and cash equivalents totaling (book balances) \$121,514. Cash and ~~cash~~ equivalents are stated at cost, which approximates market. The following is a summary of cash and cash equivalents (~~bank~~ balances) at December 31, 2004, with the related federal deposit insurance:

Interest-bearing demand deposits	<u>\$ 123,146</u>
Federal deposit insurance and pledged securities	<u>\$ 123,146</u>

NOTE C - CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets.

	<u>BALANCE</u> <u>12-31-03</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12-31-03</u>
Fire protection facilities and equipment	<u>\$ 679,486</u>	<u>\$ 8,364</u>	<u>\$ -</u>	<u>\$ 687,850</u>

NOTE D - LITIGATION AND CLAIMS

There are no claims or litigation pending against the fire department at December 31, 2004 according to management of the fire department.