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**WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana**

**Basic Financial Statements
With Accountant's Review Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
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 5-18-05

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana

Basic Financial Statements
With Accountant's Review Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 2004

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WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
Contents, December 31, 2004

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MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

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Accountant's Review Report

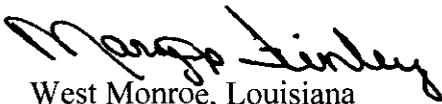
BOARD OF COMMISSIONERS
WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana

I have reviewed the accompanying financial statements of the governmental activities of the Ward 4 Fire Protection District of Jackson Parish as of and for the year ended December 31, 2004, which collectively comprise the fire district's basic financial statements as listed in the table of contents, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Ward 4 Fire Protection District of Jackson Parish.

A review consists principally of inquiries of the Ward 4 Fire Protection District of Jackson Parish's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

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

The management's discussion and analysis and budgetary comparison information on pages 5 through 8 and 26 through 27, 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, I do not express an opinion or any other form of assurance on the supplementary information.


West Monroe, Louisiana
April 13, 2005

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**



WARD 4 FIRE PROTECTION DISTRICT

P.O. Box 613
Jonesboro, Louisiana 71251
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Management's Discussion and Analysis December 31, 2004

As management of the Ward 4 Fire Protection District of Jackson Parish, I offer readers of the Ward 4 Fire Protection District of Jackson Parish's financial statements this overview and analysis of the financial activities of the Ward 4 Fire Protection District of Jackson Parish for the fiscal year ended December 31, 2004. Please read it in conjunction with the basic financial statement and the accompanying notes to the financial statements.

Overview of the Financial Statements

The Management Discussion and Analysis document introduces the Ward 4 Fire Protection District of Jackson Parish's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a long-term view of the district's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Fund (Fund Financial Statement) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves. Comparative data for the prior year is only available on a limited basis. However, all applicable tables will present comparative data in the fiscal year 2005.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Ward 4 Fire Protection District of Jackson Parish's finances, in a manner similar to a private sector business.



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The *statement of net assets* presents information on all of the Ward 4 Fire Protection District of Jackson Parish's assets and liabilities, with the difference between the two being 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 Ward 4 Fire Protection District of Jackson Parish is improving or deteriorating.

The *statement of activities* presents information showing how the government'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, regarding of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused sick leave).

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 Ward 4 Fire Protection District of Jackson Parish, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Ward 4 Fire Protection District of Jackson Parish are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements focus on near-term inflow and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Ward 4 Fire Protection District of Jackson Parish adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.



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Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Ward 4 Fire Protection District of Jackson Parish's performance.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Ward 4 Fire Protection District of Jackson Parish exceeded liabilities by \$218,585.00. Approximately 66% of the Ward 4 Fire Protection District Jackson Parish's net assets reflect its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net assets is affected by two factors: 1.) resources expanded, over time, by the Ward 4 Fire Protection of Jackson Parish to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets being included in the statement of net assets for the first time.

Since this is the first year of implementing the new reporting model, comparative information is not available for further government-wide financial analysis. In future years, when prior information is available, a comparative analysis of government-wide data will be presented.

Financial Analysis of the Government's Funds

As noted earlier, the Ward 4 Fire Protection District of Jackson Parish uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.



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As of December 31, 2004, the general fund's governmental fund balance of \$80,900.00 showed an increase of \$23,056.00 over December 31, 2003.

General Fund Budgetary Highlights

The major difference between expenditures in the original budget and the final budget was due to a decrease in estimated materials and supplies, and an increase in personal services and related benefits, and operating services.

Capitol Asset and Debt Administration

Capitol assets. The Ward 4 Fire protection District of Jackson Parish's investment in capitol assets for its governmental activities as of December 31, 2004, amounts to \$258,597.00 (net of accumulated depreciation). This investment includes furniture and equipment. There was an increase of \$85,196.00 in capitol assets for the year.

Long term debt. The Ward 4 Fire Protection District of Jackson Parish has general long term debt outstanding of \$114,858.00 as of December 31, 2004. During the year \$24,920.00 was applied to principal. The principal and interest requirements are funded by an annual ad valorem tax that is anticipated to be retired February 2008.

Requests for Information.

This financial report is designed to provide a general overview of the Ward 4 Fire Protection District of Jackson Parish's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ward 4 Fire Protection District of Jackson Parish, P.O. Box 613, Jonesboro, LA, 71251.

Respectfully submitted,

John Paul Johns, Jr.
District Board President

April 13, 2005

BASIC FINANCIAL STATEMENTS

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana

STATEMENT OF NET ASSETS
December 31, 2004

ASSETS	
Cash and cash equivalents	\$26,518
Receivables	55,537
Utility deposit	225
Capital assets (net of accumulated depreciation)	<u>258,597</u>
TOTAL ASSETS	<u><u>\$340,877</u></u>
 LIABILITIES	
Accounts payable	\$1,381
<i>Interest payable</i>	6,054
Long-term liabilities:	
Due within one year	26,353
Due in more than one year	<u>88,504</u>
TOTAL LIABILITIES	<u>122,292</u>
 NET ASSETS	
Invested in capital assets, net of related debt	143,739
Unrestricted	<u>74,846</u>
TOTAL NET ASSETS	<u><u>\$218,585</u></u>

The accompanying notes are an integral part of this statement.

WARD 4 FIRE PROTECTION DISTRICT OF JACKSON PARISH
Jonesboro, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2004

Public safety:	
Personal services	\$32,324
Operating services	77,104
Materials and supplies	10,849
Travel	42
Debt service - interest	6,724
Depreciation expense	<u>26,756</u>
Total Program Expenses	<u>153,799</u>
Program revenues - Fees, charges, and commissions for services	<u>58,460</u>
Net Program Expenses	(95,339)
General revenues:	
Taxes - ad valorem	59,501
Parcel fees	52,030
2% fire insurance rebate	5,323
Interest earned	749
Grant	83,416
Other	<u>2,050</u>
Total General Revenues	<u>203,069</u>
Change in Net Assets	107,730
Net Assets - Beginning of year	<u>110,855</u>
Net Assets - End of year	<u><u>\$218,585</u></u>

The accompanying notes are an integral part of this statement.

WARD 4 FIRE PROTECTION DISTRICT OF JACKSON PARISH
Jonesboro, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2004

ASSETS

Cash and cash equivalents	\$26,518
Receivables	55,537
Deposits	<u>225</u>
TOTAL ASSETS	<u><u>\$82,280</u></u>

LIABILITIES AND FUND EQUITY

Liabilities - Accounts payable	\$1,380
Fund Equity - fund balances - unreserved - undesignated	<u>80,900</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$82,280</u></u>

The accompanying notes are an integral part of this statement.

WARD 4 FIRE PROTECTION DISTRICT OF JACKSON PARISH
Jonesboro, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets

For the Year Ended December 31, 2004

Total Fund Balances at December 31, 2004 - Governmental Funds (Statement C)		<u>\$80,900</u>
Cost of capital assets at December 31, 2004	\$657,808	
Less: Accumulated depreciation as of December 31, 2004	<u>(399,211)</u>	<u>258,597</u>
Long term liabilities at June 30, 2004:		
Bonds payable	(114,858)	
Accrued interest payable	<u>(6,054)</u>	<u>(120,912)</u>
Net Assets at December 31, 2004		<u>\$218,585</u>

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2004

REVENUES

Ad valorem taxes	\$59,501
Parcel fees	52,030
Grant	83,416
Charges for services - water transport	55,780
Intergovernmental revenues - fire insurance rebate	5,323
Rent	2,680
Use of money and property	749
Other revenues	2,050
Total revenues	<u>261,529</u>

EXPENDITURES*Public safety:*

Current:

Personal services	32,324
Operating services	77,104
Materials and supplies	10,849
Travel and other	42
Capital outlay	85,196
Debt service	32,958
Total expenditures	<u>238,473</u>

EXCESS OF REVENUES OVER EXPENDITURES

23,056

FUND BALANCE AT BEGINNING OF YEAR57,844**FUND BALANCE AT END OF YEAR**\$80,900

See accompanying notes and accountants' compilation report.

WARD 4 FIRE PROTECTION DISTRICT OF JACKSON PARISH
Jonesboro, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2004

Total net change in fund balances - governmental funds (Statement E)	\$23,056
Amounts reported for governmental activities in the Statement of Activities are different because:	
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	1,314
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	24,920
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$85,196) exceed depreciation (\$26,756) for the period.	<u>58,440</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$107,730</u></u>

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ward 4 Fire Protection District of Jackson Parish is located in the eastern and southern portions of Jackson Parish, and was created by the Jackson Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on July 13, 1977. Commissioners are residents of the District and are appointed by the Jackson Parish Police Jury for terms of two years. Board members serve without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

The accompanying financial statements of the Ward 4 Fire Protection District of Jackson Parish have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the Statement include the following:

For the first time the financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the District’s activities.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Jackson Parish Police Jury is the financial reporting entity for Jackson Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the 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.

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Jackson Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. 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
 - 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 police jury maintains and operates the parish courthouse in which the district's office is located and provides partial funding for equipment, furniture and supplies of the district's office, the district was determined to be a component unit of the Jackson Parish Police Jury, the financial reporting entity. 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 Jackson Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The district's basic financial statements include both government-wide (reporting the district as a whole) and fund financial statements (reporting the district's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the district are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the district.

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets. The district first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the district's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the district's general revenues.

Allocation of Indirect Expenses - The district reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the district are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the district. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)

separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The district's current operations require the use of only governmental funds. The governmental fund type used by the district is described as follows:

Governmental Fund Type

General Fund - The General Fund is the principal fund of the district and is used to account for the operations of the district's office. The various fees and charges due to the district's office are accounted for in this fund. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The district considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are budgeted in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

An annual parcel fee is assessed on each parcel of immovable property situated within the Ward 4 Fire Protection District. Notices are sent to property owners in February by the Ward 4 Fire Protection District. Parcel fees become delinquent on April 10 of the current year. Parcel fees attach as an enforceable lien on property as of April 10 of each year. The fees are generally collected from February through April of the current year. Parcel fees are collected by the Ward 4 Fire Protection District. Parcel fee revenues are recognized in the year assessed if received within 60 days of December 31.

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

Interest income on demand and time deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, intergovernmental revenues and service charges have been treated as susceptible to accrual.

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2004, the district has cash and cash equivalents (book balances) totaling \$26,518.

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 bank. These deposits are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2004, total \$28,755 and are fully secured by federal deposit insurance.

F. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the fire district maintains commercial insurance policies covering general liability, property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2004.

2. RECEIVABLES

The following is a summary of receivables at December 31, 2004:

WARD 4 FIRE PROTECTION DISTRICT
 OF JACKSON PARISH
 Jonesboro, Louisiana
 Notes to the Financial Statements (Continued)

<u>Class of receivables:</u>	
Taxes - ad valorem	\$55,095
Other	<u>442</u>
Total	<u><u>\$55,537</u></u>

3. LEVIED TAXES

The district is authorized to levy a maximum tax of 9.40 mills on property within the boundaries of the district for maintenance and operation of the district. The district levied 8.14 mills for 2004. The tax will expire with the 2007 tax roll.

The following are the principal taxpayers for the parish and their 2004 assessed valuation:

	2004 Assessed Valuation	Per cent of Total Assessed Valuation
Anadarko Petroleum Corp.	\$15,516,850	16.81%
Smurfit-Stone Container Corp.	13,058,770	14.14%
Energy	2,454,670	2.66%
General Electric Rail Car	1,986,810	2.15%
Willamette Industries	1,914,500	2.07%
Walmart	1,441,380	1.56%
Jonesboro State Bank	1,311,580	1.42%
Bell South	1,135,900	1.23%
Tenneco Pipeline Company	1,117,780	1.21%
CenturyTel	<u>798,620</u>	<u>0.87%</u>
Total	<u><u>\$40,736,860</u></u>	<u><u>44.12%</u></u>

4. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the year ended December 31, 2004:

WARD 4 FIRE PROTECTION DISTRICT
 OF JACKSON PARISH
 Jonesboro, Louisiana
 Notes to the Financial Statements (Continued)

	Balance at January 1,	Additions	Deletions	Balance at December 31,
Land	\$13,700			\$13,700
Buildings and improvements	227,495			227,495
Furniture and equipment	331,418	\$85,196		416,614
Total	<u>\$572,613</u>	<u>\$85,196</u>	NONE	<u>\$657,809</u>
Depreciation on capital assets	<u>(372,456)</u>	<u>(26,756)</u>	NONE	<u>(399,212)</u>
Net capital assets	<u>\$200,157</u>	<u>\$58,440</u>	NONE	<u>\$258,597</u>

5. PENSION PLANS

The district does not participate in any pension or retirement plans.

**6. CHANGES IN GENERAL
 LONG-TERM DEBT**

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

Balance at January 1, 2004	\$139,778
Additions	NONE
Reductions	<u>(24,920)</u>
Balance at December 31, 2004	<u>\$114,858</u>

In 1998, the District entered into a ten year agreement with the Jonesboro State Bank for the purpose of constructing a fire station and purchasing equipment. All principal and interest requirements are funded by the annual ad valorem tax levied on taxable property within the District. The loan agreement provides for ten annual installments beginning February 1999 and ending February 2008. Interest on the principle is 5.75% per annum.

The annual requirements to amortize all general long-term debt outstanding at December 31, 2004, are as follows:

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)

<u>Year</u>	
2005	\$32,957
2006	32,957
2007	32,958
2008	<u>32,958</u>
Total	131,830
Less amount representing interest	<u>(16,972)</u>
Present value of net minimum lease payments	<u>\$114,858</u>

7. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 2004, nor is it aware of any unasserted claims.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2004

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes - ad valorem	\$50,000	\$50,000	\$59,501	\$9,501
Parcel fees	50,000	50,000	52,030	2,030
Grant	70,010	70,010	83,416	13,406
Charges for services - water transport			55,780	55,780
Intergovernmental revenues -				
fire insurance rebate	4,500	4,500	5,323	823
Rent	2,400	2,400	2,680	280
Use of money and property	600	600	749	149
Other revenues			2,050	2,050
Total revenues	<u>177,510</u>	<u>177,510</u>	<u>261,529</u>	<u>84,019</u>
EXPENDITURES				
Current:				
General government - taxation:				
Personal services and related benefits	22,500	42,210	32,324	9,886
Operating services	50,620	81,620	77,104	4,516
Materials and supplies	21,000	9,000	10,849	(1,849)
Travel and other charges	1,000	1,000	42	958
Capital outlay	79,100	79,100	85,196	(6,096)
Debt service	32,958	32,958	32,958	
Total expenditures	<u>207,178</u>	<u>245,888</u>	<u>238,473</u>	<u>7,415</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(29,668)	(68,378)	23,056	91,434
FUND BALANCE AT BEGINNING OF YEAR	<u>29,668</u>	<u>68,378</u>	<u>57,844</u>	<u>(10,534)</u>
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>\$80,900</u>	<u>\$80,900</u>

See accompanying note to budgetary comparison schedule.

Ward 4 Fire Protection District
of Jackson Parish
Jonesboro, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district and amended during the year, as necessary. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts. There was one budget amendment for the year ended December 31, 2004.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent Accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

BOARD OF COMMISSIONERS
WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Ward 4 Fire Protection District of Jackson Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Ward 4 Fire Protection District of Jackson Parish's compliance with certain laws and regulations during the year ended December 31, 2004 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I 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 materials and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursement journals for the year. That review disclosed one expenditure during the period under examination for materials and supplies exceeding \$20,000. I examined bid documentation and determined that the district complied with the public bid law. No expenditures were disclosed for public works exceeding \$100,000.

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2004

Code of Ethics for Public Officials and Public Employees

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

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

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

The District has no employees. However, management provided me with a listing of persons contracting with the District.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

None of the contracted parties included on the list provided by management in agreed-upon procedure 3 above appeared on the list provided by management in agreed-upon procedure 2 above.

However, it was determined that the agency purchased materials from a vendor that employs the fire district's fire chief. I examined ten invoices from F & F Supply Company. Of those ten invoices, five listed the fire district's fire chief as the sales person. It was also determined that the fire chief is a contract sales person for a company that the fire district purchased fire equipment from. The fire district purchased approximately \$79,000 of equipment from BGS, LLC in February, 2004. Bids were taken on this equipment in December 2003 and BGS, LLC was awarded the bid. The equipment was paid for February 28, 2004. The fire chief began contracting as a sales person for BGS, LLC in January 2004.

I also noted that two board members and one board members son were paid \$123.40 each for services rendered on May 25, 2004.

Budgeting

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

Management provided me with a copy of the original and amended budget.

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2004

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

I traced the adoption of the original budget to the minutes of a meeting held on November 28, 2003, and the budget amendment to the minutes of meetings held on November 29, 2004.

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

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted amounts by 5% or more, and actual expenditures did not exceed budgeted amounts by 5%. Final amended budget expenditures did not exceed estimated funds available.

Accounting and Reporting

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

- (a) trace payments to supporting documentation as to correct amount and payee;
- (b) determine if payments were properly coded to the correct fund and general ledger account;
- (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) The six selected disbursements were for the proper amount as reflected on supporting documentation and were made to the correct payee.
- (b) *The six payments were coded to the correct fund and general ledger account.*
- (c) Inspection of supporting documentation for the six disbursements indicated all of the disbursements had approval from a board member on the actual invoices.

Meetings

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

WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2004

I inquired of management whether agendas for meetings were posted at the meeting place at least twenty-four hours prior to the meeting. Management stated that a notice of the meeting and the accompanying agendas were posted on the door of the building where the meetings are held. Additionally, the meeting dates are advertised in the local newspaper.

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.

I inspected all deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness. Discussion with agency personnel also disclosed no debt proceeds.

Advances and Bonuses

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

A reading of the minutes of the board for the year indicated no approval for the payments noted. I also inspected expenditure records for the year and noted no instances which would indicate payments for bonuses, advances, or gifts. The District has no employees.

General

Delivery of Water to Commercial Businesses

During my examination of deposits I noted excess revenues for water transportation. LSA-R.S. 40:1500, which provides for the authority and power of fire protection districts states "to do and perform all acts in their corporate capacity and in their corporate names necessary and proper for the purposes of acquiring, maintaining, and operating buildings machinery, equipment, water tanks, water hydrants, water lines, and such other things, including both movable and immovable property, as might be necessary or proper for effective fire prevention and control or considered necessary by the governing body of the district for the protection of the property within the district against fire".

That provision of law appears to limit the district to act only as may be necessary to prevent and control fires within the district. The Ward 4 Fire Protection District of Jackson Parish requested and

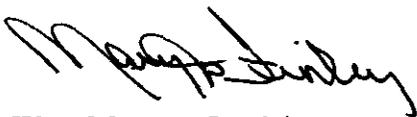
WARD 4 FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Jonesboro, Louisiana
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2004

received Attorney General's Opinion number 05-0126 on this matter. The Attorney General's Opinion stated that if the water delivery service is being used to "provide the district with the opportunity to regularly use, evaluate and maintain its tanker and related fire-fighting equipment, as well as the opportunity to train District personnel with respect to the proper and efficient use and maintenance of the equipment used in the deliveries" and, there is no cost to the district, the deliveries appear to serve to foster the purposes of the district.

Revenue for water transport in 2004 totaled \$55,780 (22% of all revenue). I recommend that water transport be restricted to only the amount necessary for training purposes.

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

This report is intended solely for the use of management of the Ward 4 Fire Protection District of Jackson Parish 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. Although the intended use of these reports may be limited, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana
April 13, 2005

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the questionnaire.

Mary Jo Finley CPA, Inc
116 Professional Drive
West Monroe, LA 71291

In connection with your compilation of our financial statements of the Ward 4 Fire Protection District Jackson Parish as of December 31, 2004 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 information available to us as of April 13, 2005

PUBLIC BID LAW

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes [X] No [] N/A []

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. No employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1101-1124.

Yes [X] No [] N/A []

3. 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 which would constitute a violation of LSA-RS 42:1119.

Yes [X] No [] N/A []

BUDGETING

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes [X] No [] N/A []

ACCOUNTING AND REPORTING

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

Yes [X] No [] N/A []

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

Yes [X] No [] N/A []

7. We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No [] N/A []

MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes [X] No [] N/A []

DEBT

9. We have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes [X] No [] N/A []

ADVANCES AND BONUSES

10. We have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [X] No [] N/A []

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 non-compliance which may occur subsequent to the issuance of your report.


Board Member

April 13, 2005
Date



WARD 4 FIRE PROTECTION DISTRICT

P.O. Box 613
Jonesboro, Louisiana 71251
(318) 259-6672
(318) 395-0430 - Fax

4/18/05

**Mr. Steve Theriot, CPA
Legislative Auditor
1600 North Street
Baton Rouge, LA 70802**

Dear Mr. Theriot,

During the examination of the financials of the Ward 4 Fire Protection District of Jackson Parish for the year of 2004 there were four exceptions taken. I would like to address each of these exceptions.

The first exception dealt with the purchasing of supplies from F&F Supply Co. I, who serve the district as the fire chief, do hold a contract position with this company to perform different types of service. There was an understanding that on any purchases made there would be "no" commission paid from the sale. Most of the sales also carried a considerable discount for a savings to the fire district.

It was an understanding (evidently an incorrect one) that a person could be associated with a vendor, then sale to the fire district the person is a part of, as long as no compensation was awarded to the person serving in the fire district in a responsibility role. There was no major purchases made and about mid-year the decision was made to terminate the use of this vendor. It is the intent of this fire district not to purchase from this vendor as long as any person that serves this district has a relationship with this company.

In the second exception taken, this fire district was awarded a 2004 Fire Act award that was written by myself. Different brands of self contained breathing apparatus and the volunteers chose a specific brand. A bid package was written, published, and awarded as per the Louisiana bid law. During the time this was happening I had no relationship with the company that received the award.

After the award was granted Mr. John Stafford, owner of BGS, LLC and I had a conversation of him needing someone to perform different type of services in north Louisiana. Seeing that the fire district's business was done I chose to perform some contract labor for this company. My first compensation from this company was on Jan. 23, 2004.



WARD 4 FIRE PROTECTION DISTRICT

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The third exception is a point the fire district has been led in the past to believe that when on an incident and that response was of the nature that was billable for compensation, any volunteer could be paid for providing the service or labor needed. In the incident mentioned, the fire district was called at a late hour to remove a mud hazard from a state highway. It was my choice to use the ones who responded or resend a page for more help. This incident lasted into the wee hours and every person served had a demanding role.

As with any incident that the district can be compensated for, the billing came from a schedule set by the district board. The fire district received compensation for the equipment used and the volunteer were compensated from the schedule for the labor provided. The district will have to review personnel on scene of such type incident and not allow those board members and family as well as myself from performing labor that can be compensated as to be fair with all responders.

The last item chosen for exception was revenue raised from the delivery of potable water by the fire district to a nearby gas field. This is an operation that has been ongoing for five years. It has been a positive for the district as it kept the tanker fleet in good operating order and kept personnel well in tune with the operation of the units. This was an occasional event until 2004 when it became almost more demand than the fire district could incur. That is when the opportunity to share this was granted to another and the amount of time out of the buildings was lessened. Still at the election in October 2004 it was noted that many residents of the fire district were not happy about this work being performed. At this time the district discontinued the service in whole and has not since been involved in this operation.

The providing of this service was performed at a profit and did act as a fund raiser for this fire district. Appropriate records were kept and are available for inspection if so required.

It is my wish that this reply will answer any lingering questions that may be ongoing. If a subject needs to be revisited for further information please advise.

Sincerely,

Curtis M. Roller
Ward 4 FPD District Chief