

**REPORT**

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, 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 8/17/11

*Minda B. Raybourn*

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**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana**

**Annual Financial Statements  
As of and for the Year Ended December 31, 2010  
With Supplemental Information Schedules**

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MEMBER  
A.I.C.P.A.

MEMBER  
L.C.P.A.

Board of Commissioners  
Washington Parish Fire  
Protection District No.6  
Varnado, Louisiana

I have compiled the accompanying financial statements and supplemental information, contained in Schedules I and II, as of and for the year ended December 31, 2010, for the Washington Parish Fire Protection District No. 6, a component unit of the Washington Parish Government, 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. I have not audited or reviewed the accompanying financial statements and supplemental information, and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information, on pages 2 through 7 and 20 through 21 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information 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.

I am not independent with respect to Washington Parish Fire Protection District No.6.

  
Minda Raybourn  
Certified Public Accountant

Franklinton, Louisiana  
June 29, 2011

## Management's Discussion and Analysis

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 6  
WASHINGTON PARISH GOVERNMENT  
Varnado, Louisiana**

**Management's Discussion and Analysis**

**Introduction**

Washington Parish Fire Protection District No. 6 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 \$926,858 and exceeded liabilities by \$825,400 (net assets). Of total net assets, \$168,755 may be used to meet the District's ongoing obligations to citizens and creditors. The balance of the total assets are invested in capital assets net of related debt \$607,610, and restricted for protest taxes \$49,035. The condensed balance sheet is presented on governmental funds, but the financial highlights are presented on government-wide statements.
- Revenues consist primarily of ad valorem tax and state revenue sharing. The total revenues for the fiscal year ending December 31, 2010 were \$177,656 representing an approximate increase of 20.67% from total revenues for fiscal year December 31, 2009 of \$147,222.
- The District's operating expenditures for the governmental fund were \$129,132, consisting of those expenditures resulting from the District's ongoing operations. The expenses decreased by \$69,706 (35.05%) compared to expenditures of \$198,838 for the fiscal year ended December 31, 2009. The governmental fund recorded lease payments of \$35,397. The government-wide statement of activities recorded depreciation expenses of \$59,018.

**Overview of Annual Financial Report**

Management's Discussion and Analysis (MD&A) serves as an introduction to basic financial statements. 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 basic financial statements themselves.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 6**  
**WASHINGTON PARISH GOVERNMENT**  
**Varnado, Louisiana**

**Management's Discussion and Analysis**

**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 business. 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 nets 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 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, 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 statement** - 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 and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule.

**Statement of Net Assets**

Included below is a condensed Statement of Net Assets for the District. The condensed format allows the reader to view the overall financial position of the District. An explanation of the components of this statement is included immediately following the table.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 6  
WASHINGTON PARISH GOVERNMENT  
Varnado, Louisiana**

**Management's Discussion and Analysis**

**Financial Analysis**

**Condensed Balance Sheet**

	December 31, 2009	December 31, 2010	Dollar Change	Percent Change
<b>Assets</b>				
Current and Other Assets	\$ 170,444	\$ 222,821	\$ 52,377	30.73%
Capital Assets, Net	<u>752,840</u>	<u>704,037</u>	<u>(48,803)</u>	-6.48%
Total Assets	<u>\$ 923,284</u>	<u>\$ 926,858</u>	<u>\$ 3,574</u>	0.39%
<b>Liabilities</b>				
Long term debt	\$ 125,570	\$ 96,427	\$ (29,143)	-23.21%
Pension deduction	<u>4,989</u>	<u>5,031</u>	<u>42</u>	0.84%
Total Liabilities	<u>130,559</u>	<u>101,458</u>	<u>(29,101)</u>	-22.29%
<b>Net Assets</b>				
Invested in Capital Assets	627,270	607,610	(19,660)	-3.13%
Restricted for Protest Tax	49,035	49,035	-	0.00%
unrestricted	<u>116,420</u>	<u>168,755</u>	<u>52,335</u>	44.95%
Total Net Assets	<u>\$ 792,725</u>	<u>\$ 825,400</u>	<u>\$ 32,675</u>	4.12%

The liabilities are pension deductions.

See page 8 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 the 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 \$825,400 (net assets). Of the District's net assets, \$49,035 is Restricted Net Assets for protest tax. The balance of net assets includes \$607,610 invested in Capital Assets, and \$168,755 in Unrestricted Net Assets. These unrestricted assets are available to meet the ongoing needs of the District.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 6**  
**WASHINGTON PARISH GOVERNMENT**  
**Varnado, Louisiana**

**Management's Discussion and Analysis**

**Condensed Statement of Activities**

	December 31, 2009	December 31, 2010	Dollar Change	Percent Change
<b>Program Expenses</b>				
Public Safety	\$ 136,043	\$ 144,981	\$ 8,938	6.57%
<b>General Revenues</b>				
Ad Valorem Taxes	126,607	159,411	32,804	25.91%
State Revenue Sharing	7,686	6,947	(739)	-9.61%
Insurance Rebate	7,134	7,687	553	7.75%
Forestry Grant	3,731	-	(3,731)	-100.00%
Other Income	1,702	3,189	1,487	87.37%
Interest Earned	362	422	60	16.57%
Total Program Revenues	<u>147,222</u>	<u>177,656</u>	<u>30,434</u>	20.67%
<b>Change in Net Assets</b>	11,179	32,675	21,496	192.29%
<b>Net Assets, January 1, 2010</b>	<u>781,546</u>	<u>792,725</u>	<u>11,179</u>	1.43%
<b>Net Assets, December 31, 2010</b>	<u>\$ 792,725</u>	<u>\$ 825,400</u>	<u>\$ 32,675</u>	4.12%

The major expenditure within the Statement of Activities is depreciation expense at \$59,018 (40.71% of total expenditures), followed by repair expense at \$20,729 (14.30%) and insurance expense of \$17,306 (11.94%).

Ad valorem taxes are the primary source of revenue totaling \$159,411 (89.73% of total revenue) for the fiscal year ending, December 31, 2010. The other major source of revenue is state revenue sharing at \$7,687 (4.32% of total revenues).

**Analysis of Fund Financial Statements**

**Governmental Fund**

The focus of the District's governmental fund is to provide information on near-term inflows, outflows and balances of spend able resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resource available for spending at year-ended.

As of December 31, 2010, The District's governmental fund reported an ending balance of \$217,790, a increase of \$52,335 in comparison to prior year. Approximately 77.48% of this total (\$168,755) constitutes unreserved fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is restricted for protest taxes (\$49,035).

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 6**  
**WASHINGTON PARISH GOVERNMENT**  
**Varnado, Louisiana**

**Management's Discussion and Analysis**

**Budgetary Highlight**

The District does not have a formal policy on adopting a budget. The budget for year ending December 31, 2010, was adopted at the District's December 22, 2009, regular meeting. At December 17, 2010 meeting, the District amended the budget for 2010. Actual expenditures exceeded budget amounts by 24.70%. All appropriations lapse at year-end.

**Budget vs. Actual – Fiscal Year End December 31, 2010**

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>REVENUES:</b>			
Ad valorem taxes	\$ 140,750	\$ 159,411	\$ 18,661
Other revenues	-	22,056	22,056
Total Revenues	<u>140,750</u>	<u>181,467</u>	<u>40,717</u>
<b>EXPENDITURES:</b>			
Fuel, gas, and oil	2,450	2,430	20
Advertising		1,286	(1,286)
Bank Service charges		284	(284)
Dues		883	(883)
Election Expense		667	(667)
Insurance	17,000	17,306	(306)
Repairs and maintenance	22,750	20,729	2,021
Supplies		15,094	(15,094)
Capital Outlay	11,600	14,026	(2,426)
Accounting & legal	6,000	5,327	673
Office expense	2,100	2,159	(59)
Postage		100	(100)
Utilities	2,450	3,286	(836)
Pension expenses		5,031	(5,031)
Principle & interest	35,400	35,397	3
Training	3,000	3,679	(679)
Miscellaneous	800	1,448	(648)
Total expenditures	<u>103,550</u>	<u>129,132</u>	<u>(25,582)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>37,200</u>	<u>52,335</u>	<u>15,135</u>
<b>FUND BALANCE, JANUARY 1, 2010</b>	<u>165,455</u>	<u>165,455</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31, 2010</b>	<u>\$ 202,655</u>	<u>\$ 217,790</u>	<u>\$ 15,135</u>

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 6  
WASHINGTON PARISH GOVERNMENT  
Varnado, Louisiana**

**Management's Discussion and Analysis**

**Capital Assets**

At the end of the fiscal year December 31, 2010, the District had \$704,037 (net of accumulated depreciation) recorded in capital assets. Capital outlays are recorded as expenditures of the general fund and as assets in the government-wide financial statement. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful life:

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	40 years
Fire Trucks and Other Trucks	5-20 years
Equipment	3-10 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 costs, of all assets acquired prior to 1989, have been valued using estimated historical cost.

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

	January 1, 2010	December 31, 2010	Dollar Change	Percent Change
Land	11,375	11,375		0.00%
Fire trucks	\$ 708,880	\$ 696,009	\$ (12,871)	-1.82%
Fire house	175,485	175,485	-	0.00%
Equipment	256,435	256,435	-	0.00%
Subtotal	<u>1,152,175</u>	<u>1,139,304</u>	<u>(12,871)</u>	<u>-1.12%</u>
Less Accumulated				
Depreciation	<u>(399,335)</u>	<u>(435,267)</u>	<u>(35,932)</u>	<u>9.00%</u>
Net Capital Assets	<u><u>752,840</u></u>	<u><u>704,037</u></u>	<u><u>(48,803)</u></u>	<u><u>-6.48%</u></u>

The District made a down payment on a new tanker for \$14,026 and sold a tanker for \$7,000.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 6  
WASHINGTON PARISH GOVERNMENT  
Varnado, Louisiana**

**Management's Discussion and Analysis**

**Long Term Obligations**

The following is a summary of the long-term obligation transactions during the year:

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Lease Payable	125,570		(29,142)	96,428
Total	<u>\$ 125,570</u>	<u>\$ -</u>	<u>\$ (29,142)</u>	<u>\$ 96,428</u>

**Future Economic Plans**

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.

## FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT #6  
 WASHINGTON PARISH GOVERNMENT  
 Varnado, Louisiana  
 Statement of Net Assets  
 December 31, 2010

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 61,646
Receivables	150,096
Prepaid expenses	11,079
<b>RESTRICTED ASSETS:</b>	
Cash protest tax	
Capital assets	
Land	11,375
Fire trucks	696,008
Fire stations	175,485
Equipment	256,435
Less accumulated depreciation	<u>(435,266)</u>
Capital assets, net	<u>704,037</u>
<b>Total Assets</b>	<u><u>926,858</u></u>
 <b>LIABILITIES:</b>	
Pension deduction	5,031
Long-term debt due in one year	30,593
Long-term debt due more than one year	<u>65,834</u>
Total Liabilities	<u>101,458</u>
 <b>Net Assets</b>	
Invested in capital assets, net of related debt	607,610
Restricted for protested taxes	49,035
Unrestricted	168,755
<b>Total Net Assets</b>	<u><u>\$ 825,400</u></u>

See accountant's report and accompanying notes to the financial statements.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #6  
 WASHINGTON PARISH GOVERNMENT  
 Varnado, Louisiana  
 STATEMENT OF ACTIVITIES  
 For the Year Ended December 31, 2010

## PROGRAM EXPENSES:

Accounting	3,500
Fuel, gas, and oil	2,430
Advertising	1,286
Bank Service Charges	284
Postage	100
Dues	883
Insurance	17,306
Legal Expense	1,827
Miscellaneous	1,448
Repairs and maintenance	20,729
Depreciation expense	59,018
Utilities & telephone	3,286
Office Expense	2,159
Supplies	15,093
Election Expense	667
Training	3,679
Pension expenses	5,031
Interest expense	6,255
Total Program Expenses	<u>144,981</u>

## PROGRAM REVENUES:

Ad valorem taxes	159,411
State revenue sharing	6,947
Insurance rebate	7,687
Interest Income	422
Sale of Asset	3,189
Net Program Revenues	<u>177,656</u>

Change in Net Assets	32,675
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Beginning Net Assets, JANUARY 1, 2010	<u>792,725</u>
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Ending Net Assets, DECEMBER 31, 2010	<u>\$ 825,400</u>
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See accountant's report and accompanying notes to financial statements.

## STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, LouisianaBalance Sheet  
Governmental Funds  
December 31, 2010

	<u>General Fund</u>
<b>ASSETS AND OTHER DEBITS</b>	
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 61,646
Receivables	150,096
Prepaid expense	<u>11,079</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 222,821</u></b>
<b>LIABILITIES AND EQUITY</b>	
<b>LIABILITIES:</b>	
Pension deduction	<u>5,031</u>
<b>Total LIABILITIES</b>	<b><u>5,031</u></b>
<b>EQUITY</b>	
Restricted for Protest Tax	49,035
Fund balance - unreserved	<u>168,755</u>
<b>Total Equity</b>	<b><u>217,790</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$ 222,821</u></b>
<b>RECONCILIATION TO GOVERNMENT WIDE STATEMENT:</b>	
Fund Balance	\$ 217,790
Invested in Capital Assets Net of Related Debt	<u>607,610</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$ 825,400</u></b>

See accompanying notes to the financial statements and accountant's report.

## STATEMENT D

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana

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

	General
<b>REVENUES:</b>	
Ad valorem taxes	\$ 159,411
State revenue sharing	6,947
Insurance rebate	7,687
Interest earned	422
Sale of Asset	7,000
Total Revenues	181,467
<b>EXPENDITURES:</b>	
Accounting & legal	3,500
Fuel, gas, and oil	2,430
Advertising	1,286
Bank Service Charge	284
Dues	883
Insurance	17,306
Legal Expense	1,827
Miscellaneous	1,448
Repairs and maintenance	20,729
Capital Outlay	14,026
Utilities & Telephone	3,286
Office expense	2,159
Postage	100
Supplies	15,094
Election Expense	667
Training	3,679
Pension deduction	5,031
Debt service:	
Principal retirement	35,397
Interest	
Total expenditures	129,132
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	52,335
<b>FUND BALANCE, JANUARY 1, 2010</b>	165,455
<b>FUND BALANCE, DECEMBER 31, 2010</b>	<b>\$ 217,790</b>

See accompanying notes to the financial statements and accountant's report.

STATEMENT E

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 6  
Varnado, Louisiana

Reconciliation of Statement of Revenues, Expenditures  
and Change in Fund Balance to Statement of Activity  
For the Year Ended December 31, 2010

CHANGE IN FUND BALANCE	52,335
Capital Purchases & Sales	10,217
Current Depreciation	(59,018)
Debt Payment	<u>29,141</u>
Change in Net Assets	<u><u>32,675</u></u>

See accountant's report and accompanying notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6**  
**Varnado, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**

**INTRODUCTION**

As provided by Louisiana Revised Statute 40:1496.12B, the Fire Protection District No.6 of Washington Parish was created July 10, 1990, through a resolution passed by the Washington Parish Government. The District shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The District shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tank, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the parish governing body of the District for the protection of the property within the limits of the District against fire.

The governing body of the parish shall appoint a five member board that shall perform all duties, functions, and powers responsible for the operation and maintenance of the District. All funds of the District shall be administered by the board. The board of commissioner members may be paid a per diem of fifty dollars for attending meetings of the board, and may be reimbursed any expenses incurred in performing the duties imposed upon them.

The District encompasses approximately 82 square miles in a portion of Wards 5, 7, 8 and 4 of Washington Parish. It serves approximately 1,800 people and several small businesses living and operating within the boundaries of the District. The District operates out of two fire stations, one located in the Village of Varnado at 26021 Highway 21, the second located at 63238 Highway 10 East, leased from Meckling Research, and the third is located at 21501 Highway 21 near Miles Lumber Co. The District has no compensated employees and operates with a volunteer staff of firefighters.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING AND FINANCIAL STATEMENT**

The District's financial statements are prepared on the modified accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principle Board (APB) of the Committee on Accounting Procedures, Issued on or before November 1989, unless those pronouncements conflict or contradict with GASB pronouncements.

These financial statements are presented in conformance with GASB Statement No.34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements including a statement of net assets (or balance sheet), a statement of activities and change in net assets, and a statement of cash flows.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6**  
**Varnado, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**

**B. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Washington Parish Government is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government, parish council, (b) organizations for which the primary government is financially accountable, and (c) 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 Washington Parish Government 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 parish council 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 parish council.
2. Organizations for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.
3. Organizations for which the reporting entity's financial statements would be misleading if data of this organization is not included because of the nature or significance of the relationship.

Because the parish council appoints a voting majority of the District's governing board and the parish council has the ability to impose its will on the District, the District was determined to be a component unit of the Washington Parish Government, 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 parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**C. FUND ACCOUNTING**

The District maintains its financial records on a fund basis, whereby a self-balancing set of accounts (Governmental Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The general fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6**  
**Varnado, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement of focus. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet in the fund statements. Long term assets and long term liabilities are included in the governmental-wide statements. Operating statements of governmental funds present increases (revenues), other financing sources and decreases (expenditures), and other financing uses are included in current assets.

The government-wide statements of net assets and statement of activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with operation of these activities are included on the statement of net assets.

The statements of net assets and statements of activities are presented on the accrual basis of accounting. Under this method of accounting exchange, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The modified accrual basis of accounting is used by the governmental funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Effective for financial statements issued after June 30, 2000, GASB Statement 33, Accounting and Financial reporting for Non-exchange Transactions, defines a non-exchange transaction as a transaction whereby the government gives or receives value without directly receiving or giving equal value in return. Property taxes are imposed non-exchange revenues which result from assessments imposed on nongovernmental entities including individuals. Assets should be recognized when the government has an enforceable lien or legal claim to the resources, or the resources are received, whichever occurs first. Property tax revenues are recognized in the period in which the District has legal claim to the resources. However, for revenue to be recognized under the modified accrual basis, the measurable and available criteria must also be met. Governmental funds use the following practices in recording revenues and expenditures:

*REVENUES*

Revenues are recognized in the accounting period they become available and measurable. Donations, fund raising net revenues and state revenue sharing is recorded when received. Ad valorem taxes become a lien against the assessed property on assessment date or levy date. Property taxes collected by the taxing authority, but not remitted to the District at year-end, are accrued in revenue and included in property tax receivable.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6**  
**Varnado, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**

Expenditures are recognized in the accounting period when the fund liability is incurred.

**E. BUDGETS**

The District does not have a formal policy on adopting a budget. The budget for year ending December 31, 2010, was adopted at the District's December 22, 2009 regular meeting. At December 17, 2010 meeting, the District amended the budget for 2009. All appropriations lapse at year-end.

**F. ENCUMBRANCES**

The District does not use encumbrance accounting.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest bearing demand deposits. 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.

**H. PREPAID ITEMS**

Prepaid items consist of expenses, paid in the current year, that cover operations, during the next fiscal year.

**I. CAPITAL ASSETS**

Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statement. 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	40 years
Fire Trucks and Other Trucks	5-20 years
Equipment	3-10 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.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6**  
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**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**

**J. RESTRICTED ASSETS**

Certain proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes are classified as restricted assets because their use is limited to specified expenditures.

**K. COMPENSATED ABSENCES**

The District does not have any paid employees; therefore, it does not have a formal leave policy.

**L. LONG-TERM OBLIGATIONS**

Long-term obligations are reported in the government-wide financial statement.

**M. FUND BALANCE RESERVE**

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

**N. Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

**O. NET CAPITAL**

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or indebtedness attributable to acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to unspent proceed is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds.
- Restricted – this component of net assets consists of constraints placed on the asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments or constraints imposed by law though constitutional provisions or enabling legislation.
- Unrestricted – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6**  
**Varnado, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**

**NOTE 2 - LEVIED TAXES**

In 2002, the District successfully passed a renewal of a 1993 special ad valorem tax of 10 mills upon property owners of the District. The assessment authorizes the levy of and collection of a special ad valorem tax of 10 mills for a period of ten (10) years, beginning with the year 2003, for the purpose of acquiring, constructing, maintaining and operating fire protection facilities and equipment including paying the cost of obtaining water for fire protection purposes and salaries of firemen, and all purposes incidental thereto.

On November 3, 1998, the District passed a proposal for the extension of the original proposition to impose the existing special tax of ten (10) mills in the newly added areas of the District for a period of 10 years. For the period covered by this financial statement, the millage was set at 1966.

2010 Assessed property value	11,367,260
Less: Homestead Exemption	<u>(3,786,630)</u>
Taxable value	<u><u>7,580,630</u></u>
	<u>General Fund</u>
18.62 Mill assessment	<u>150,096</u>
Less Pension Deduction	<u>(5,031)</u>
	<u><u>145,065</u></u>

**NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budget Information**

Louisiana Revised Statute 39:1303 requires that "...all action necessary to adopt and otherwise finalize and implement the budget for an ensuing fiscal year shall be taken in an open meeting and completed prior to the end of the fiscal year in progress..." The District did not adhere to the "Budget Act". The "Actual Expenditures" exceed the "Budget Expenditures" by 24.70%. The District did not amend the budget for purchases of supplies of \$15,094. The 2009 budget was approved at meeting held on December 22, 2009. The budget was amended at the meeting held on December 17, 2010 but not adequately.

**NOTE 4 - CASH AND CASH EQUIVALENTS**

At December 31, 2010, the District has cash and cash equivalents totaling \$61,646 as follows:

Non-interest bearing demand deposits	\$ -
Interest bearing demand deposits	<u>61,646</u>
Total cash and cash equivalents	<u><u>\$ 61,646</u></u>

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6**  
**Varnado, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**

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 to be 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 District had \$62,048 in deposits (collected bank balances, including certificates of deposit). These deposits were secured from risk by \$62,048 of federal deposit insurance.

**NOTE 5 - RECEIVABLES**

The following is a summary of receivables at December 31, 2010:

Ad valorem taxes - current year, net	\$	150,096
 Total taxes receivable	<u>\$</u>	<u>150,096</u>

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2010

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Fire Trucks	\$ 708,880	\$ 14,026	\$ (26,898)	\$ 696,008
Land	11,375			11,375
Fire Stations	175,485			175,485
Equipment	256,435			256,435
TOTAL	<u>\$ 1,152,175</u>	<u>\$ 14,026</u>	<u>\$ (26,898)</u>	<u>\$ 1,139,303</u>
Less Depreciation	(399,335)	(59,018)	23,087	(435,266)
Capital assets, net	<u>752,840</u>	<u>(44,992)</u>	<u>(3,811)</u>	<u>704,037</u>

The District made a down payment in the amount of \$14,026 for a new tanker truck. The District also sold an old tanker for \$7,000.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6**  
**Varnado, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**

**NOTE 7 - LONG-TERM DEBT**

The following is a summary of the long-term obligation transactions during the year:

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Lease Payable	125,570		(29,142)	96,428
<b>TOTAL</b>	<b>\$ 125,570</b>	<b>\$ -</b>	<b>\$ (29,142)</b>	<b>\$ 96,428</b>

On March 1, 2008, the District entered into another Municipal Lease-Purchase Agreement with Government Capital Corporation for the amount of \$153,329 for five years to purchase a pumper for a total cost of \$203,329.

The annual requirements for lease amortize for debt outstanding at December 31, 2010, including interest of \$9,763 are as follows:

Year Ending	Payable	Payments	Payments
2011	35,397	4,803	30,594
2012	35,397	3,280	32,117
2013	35,397	1,680	33,717
<b>TOTAL</b>	<b>106,191</b>	<b>9,763</b>	<b>96,428</b>

**NOTE 8 RESTRICTED FUND BALANCE**

The District has restricted fund balance of \$49,035 for protested tax.

**NOTE 9 - LITIGATION AND CLAIMS**

As of December 31, 2010, there were no litigations or claims against the District.

**NOTE 10 - RELATED PARTY TRANSACTIONS**

There were no related party transactions requiring disclosure in the financial statements.

**NOTE 11 - SUBSEQUENT EVENTS**

There were no subsequent events requiring disclosure in the financial statements.

## SUPPLEMENTAL INFORMATION

SCHEDULE I

Statement of Revenues, Expenditures  
and Changes in Fund Balance-Budget and Actual  
General Fund  
For the Year Ended December 31, 2010

	Budget	Amended Budget	Actual	Variance Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Ad valorem taxes	\$ 140,750	\$ 140,750	\$ 159,411	\$ 18,661
State revenue sharing	-	-	6,947	6,947
Insurance rebate	-	-	7,687	7,687
Interest earned	-	-	422	422
Sale of Assets	-	-	7,000	7,000
Total Revenues	<u>140,750</u>	<u>140,750</u>	<u>181,467</u>	<u>40,717</u>
<b>EXPENDITURES:</b>				
Accounting			3,500	(3,500)
Legal	4,000	6,000	1,827	4,173
Fuel, gas, and oil	2,450	2,450	2,430	20
Advertising			1,286	(1,286)
Bank Service Charges			284	(284)
Dues			883	(883)
Insurance	12,500	17,000	17,306	(306)
Matching grant				-
Miscellaneous	1,400	800	1,448	(648)
Postage			100	(100)
Repairs and maintenance	9,400	22,750	20,729	2,021
Capital Outlay	14,250	11,600	14,026	(2,426)
Utilities & Telephone	2,500	2,450	3,286	(836)
Office expense	3,700	2,100	2,159	(59)
Supplies			15,094	(15,094)
Election Expense			667	(667)
Training	3,000	3,000	3,679	(679)
Pension expenses			5,031	(5,031)
Debt service:				
Principal retirement	43,600	35,400	29,142	6,258
Interest			6,255	(6,255)
Total expenditures	<u>96,800</u>	<u>103,550</u>	<u>129,132</u>	<u>(25,582)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	43,950	37,200	52,335	15,135
<b>OTHER SOURCES (USES):</b>				
Proceeds from capital leases	-	-	-	-
<b>NET EXCESS (DEFICIENCY) OF REVENUE &amp; OTHER SOURCE</b>	43,950	37,200	52,335	15,135
<b>FUND BALANCE, JANUARY 1, 2010</b>	<u>165,455</u>	<u>165,455</u>	<u>165,455</u>	-
<b>FUND BALANCE, DECEMBER 31, 2010</b>	<u>\$ 209,405</u>	<u>\$ 202,655</u>	<u>\$ 217,790</u>	<u>15,135</u>

See accountant's report.

**Schedule II**

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended December 31, 2010**

**COMPENSATION PAID BOARD MEMBERS**

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members were not paid compensation in any form.

See accountant's report.

## SUMMARY SCHEDULE OF PRIOR FINDINGS

WASHINGTON PARISH  
FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

**For the Year Ended December 31, 2010**

**Section 1-Compliance with Certain Laws and Regulations:**

Fire District No. 6 failed to properly amend their budget for fiscal year ended December 31, 2009 as required by LRS 39:1311. Actual expenditures in the general fund exceeded budget expenditures by 31.91%.

The District continued to not properly amend their budget. In fact actual expenditures in the general fund exceeded budget expenditures by 24.70%.

**Management's Corrective Action Plan:**

The management of Fire District No. 6 will review our budget /actual expenditures during the year and will amend the budget *appropriately*.

See accountant's report