

REPORT

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Component Unit Financial Statements
As of and for the Year
Ended December 31, 2004
with Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-20-05

William R. Durden
Certified Public Accountant
Limited Liability Company
820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Component Unit Financial Statements
As of and for the Year Ended December 31, 2004
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 # 4
Pine, 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, 2004, for the Washington Parish Fire Protection District # 4, 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 Washington Parish Fire Protection District # 4 did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2004. The effects of the departure from Generally Accepted Accounting Principles have not been determined.

I am not independent with respect to Washington Parish Fire Protection District # 4.


William R. Durden
Certified Public Accountant

Franklinton, Louisiana
May 25, 2004

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
 WASHINGTON PARISH GOVERNMENT
 Pine, Louisiana
 Balance Sheet
 Governmental Funds
 December 31, 2004

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS AND OTHER DEBITS			
ASSETS:			
Cash and cash equivalents	\$ 2,675	\$ -	\$ 2,675
Receivables	36,391	-	36,391
Prepaid expenses	2,322	-	2,322
OTHER DEBIT:			
Amount available in Debt Service Fund	-	-	-
Amount to be provided for retirement of long-term obligations	-	14,983	14,983
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 41,388</u>	<u>\$ 14,983</u>	<u>\$ 56,371</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Deferred Revenue	\$ 628	-	\$ 628
Capital Leases payable	-	14,983	14,983
Total Liabilities	<u>628</u>	<u>14,983</u>	<u>15,611</u>
FUND BALANCE			
Fund balance - unreserved	29,834	-	29,834
Fund balance - reserved	10,926	-	10,926
Total Fund Balances	<u>40,760</u>	<u>-</u>	<u>40,760</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 41,388</u>	<u>\$ 14,983</u>	<u>\$ 56,371</u>

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

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
 WASHINGTON PARISH GOVERNMENT
 Pine, Louisiana
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2004

	General	Debt Service	Total
REVENUES:			
Ad valorem taxes	\$ 35,763	\$ -	\$ 35,763
State revenue sharing	22,024	-	22,024
Other revenues:			
Grant Revenue	65,700	-	65,700
Interest earned	200	-	200
Other	505	-	505
Total Revenues	<u>124,192</u>	<u>-</u>	<u>124,192</u>
EXPENDITURES:			
Insurance	9,418	-	9,418
Accounting and legal	1,200	-	1,200
Dues and subscriptions	381	-	381
Repairs and maintenance	4,050	-	4,050
Capital outlay	95,250	-	95,250
Utilities	1,986	-	1,986
Supplies	4,609	-	4,609
Fuel, gas, and oil	2,180	-	2,180
Other	1,234	-	1,234
Debt service:			
Principal retirement	-	9,119	9,119
Interest	-	1,807	1,807
Total expenditures	<u>120,308</u>	<u>10,926</u>	<u>131,234</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	3,884	(10,926)	(7,042)
Fund transfers	<u>(10,926)</u>	<u>10,926</u>	<u>-</u>
EXCESS OF REVENUES AND FUND TRANSFERS			
	(7,042)	-	(7,042)
FUND BALANCE, JANUARY 1, 2004	<u>17,200</u>	<u>-</u>	<u>17,200</u>
Prior year adjustment to Fund Balance	30,602	-	30,602
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 40,760</u>	<u>\$ -</u>	<u>\$ 40,760</u>

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

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2004

NOTE 1-DESCRIPTION OF COMPONENT UNIT AND REPORTING ENTITY

DESCRIPTION OF COMPONENT UNIT

The Fire Protection District #4, of Washington Parish, was created under the Louisiana Revised Statute 40:1496.12E. 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 tanks, 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 of commissioners. The board of commission 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 100 square miles in a portion of Wards 5, 7, and 8 of Washington Parish. It serves approximately 3,500 people and several small businesses living and operating in this District. It operates four firehouses in Pine, Thomas, and Stateline, Louisiana, with a volunteer staff of fire fighters.

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:

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2004

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 financial statements would be misleading if data of the 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.

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles of the United State of America (GAAP) as applied to government units.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. BASIS OF PRESENTATION

Fund Financial Statements

During the year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2004

B. FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursements of specific or legally restricted monies. Governmental funds of the District include:

- a. General Fund – the general operating fund of the District accounts for all financial resources except those required to be accounted for in other funds.
- b. Debt Service Fund – the debt service fund of the District accounts for the payment of principal and interest of liabilities of long-term debt.

C. BASIS OF ACCOUNTING

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 when the District has a 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 #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2004

Expenditures

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

D. BUDGETS

The District does not have a formal policy on adopting a budget. The budget for year ending December 31, 2004, was adopted at the District's December 1, 2003, regular meeting. The budget was amended at the District's regular meeting November 2, 2004. All appropriations lapse at year-end.

E. ENCUMBRANCES

The District does not use encumbrance accounting.

F. 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.

G. PREPAID ITEMS

The District uses the allocation method of recording prepaid expenses.

H. CAPITAL ASSETS

Capital assets are recorded as expenditures at the time purchased or constructed. No depreciation has been provided on general capital assets. All capital assets are valued at historical cost or estimated historical cost. 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.

I. COMPENSATED ABSENCES

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

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the debt service fund.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
 WASHINGTON PARISH GOVERNMENT
 Pine, Louisiana
 Notes to the Financial Statements (Continued)
 For the Year Ended December 31, 2004

K. FUND BALANCE RESERVE

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

Designated Fund Balances

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

NOTE 3 - LEVIED TAXES

On April 19, 1995, the District passed a proposal for a 10 mil property tax assessment upon the property owners of the District, subject to homestead exemption. The tax is for a period of 10 years commencing in the year 1996 for the purpose of maintaining and operating the District's fire protection facilities, for purchasing fire trucks and other fire fighting equipment and paying the cost of obtaining water for fire protection service.

2004 Assessed property value	9,541,660
Homestead Exemption	<u>5,735,920</u>
Taxable value	<u><u>3,805,740</u></u>
9.75 Mil assessment	\$ 37,108
Less: Pension deduction	<u>1,345</u>
Net assessment	<u><u>\$ 35,763</u></u>

NOTE 4 - CASH AND CASH EQUIVALENTS

At December 31, 2004, the District has cash and cash equivalents totaling \$2,675 as follows:

Non-interest bearing demand deposits	\$ 159
Interest bearing demand deposits	<u>2,516</u>
Total cash and cash equivalents	<u><u>\$ 2,675</u></u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2004

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, 2004, the District had \$2,675 in deposits (collected bank balances). These deposits were secured from risk by \$100,000 of the federal deposit insurance.

NOTE 5 - RECEIVABLES

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

<u>Class of Receivable</u>	<u>General Fund</u>
Ad valorem taxes	\$ 35,763
Prior year taxes receivable	628
Total receivables	36,391

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004

	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
Fire Trucks	\$ 138,200	\$ 74,919	\$ -	\$ 213,119
Fire Stations	48,743	13,923	-	62,666
Equipment	94,623	6,408	-	101,031
TOTAL	\$ 281,566	\$ 95,250	\$ -	\$ 376,816

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2004

NOTE 7 - LONG-TERM DEBT

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

	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004	Amount Due in One Year
Citizens Savings Bank	\$ 24,102	\$ -	\$ 9,119	\$ 14,983	\$ 9,803
Total	<u>\$ 24,102</u>	<u>\$ -</u>	<u>\$ 9,119</u>	<u>\$ 14,983</u>	<u>\$ 9,803</u>

The State Bond Commission at a meeting held on May 16, 1996, approved the District's application to borrow \$75,000 for two fire trucks to be secured by and payable from the available proceeds of the ten mill tax authorized at an election on April 29, 1995. On September 10, 1996, the District borrowed \$75,000 from Citizens Savings Bank, in Franklinton, Louisiana, at an interest rate of seven and one-half percent (7.5%) percent per annum, to be repaid over a ten year period.

Principal and interest requirements to retire the fire truck loans at December 31, 2004 are as follows:

Year	Principle	Interest	Total
2005	\$ 9,803	\$ 1,123	\$ 10,926
2006	<u>5,180</u>	<u>389</u>	<u>5,569</u>
	<u>\$ 14,983</u>	<u>\$ 1,512</u>	<u>\$ 16,495</u>

FUND BALANCE - RESERVED

The reserved fund balance is funds set aside to pay the next installment of the Citizens Savings Bank note for two tanker trucks.

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
 WASHINGTON PARISH GOVERNMENT
 Pine, Louisiana
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2004

	Budget	Amended Budget	Actual	Variance
REVENUES:				
Ad valorem taxes	\$ 29,800	\$ 30,614	\$ 35,763	\$ 5,149
State revenue sharing	12,350	22,024	22,024	-
Other revenues:				
Grant Revenue	64,500	65,700	65,700	-
Interest earned	90	166	200	34
Other	300	644	505	(139)
Total Revenues	<u>107,040</u>	<u>119,148</u>	<u>124,192</u>	<u>5,044</u>
EXPENDITURES:				
Insurance	9,000	9,850	9,418	432
Accounting	-	-	1,200	(1,200)
Dues and subscriptions	380	381	381	-
Repairs and maintenance	3,400	3,200	4,050	(850)
Capital Outlay	81,500	81,900	95,250	(13,350)
Utilities	1,600	1,700	1,986	(286)
Supplies	3,600	3,600	4,609	(1,009)
Fuel, gas, and oil	1,400	2,000	2,180	(180)
Other	2,000	2,400	1,234	1,166
Total expenditures	<u>102,880</u>	<u>105,031</u>	<u>120,308</u>	<u>(15,277)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,160	14,117	3,884	(10,233)
Fund transfers	<u>(10,926)</u>	<u>(10,926)</u>	<u>(10,926)</u>	<u>-</u>
EXCESS OF REVENUES AND FUND TRANSFERS	(6,766)	3,191	(7,042)	(10,233)
FUND BALANCE, JANUARY 1, 2004	<u>17,200</u>	<u>17,200</u>	<u>17,200</u>	<u>-</u>
Prior Year Adjustment to Fund Balance	-	-	30,602	-
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 10,434</u>	<u>\$ 20,391</u>	<u>\$ 40,760</u>	<u>\$ (10,233)</u>

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

Schedule II

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2004

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 compilation report and accompanying notes to financial statements.