5929

PARISHWIDE FIRE PROTECTION DISTRICT OF EAST FELICIANA PARISH, LOUISIANA

BASIC FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

AS OF AND FOR THE YEARS ENDED JUNE 30, 2005 AND 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 3-1-06

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

TABLE OF CONTENTS

Page No.

Independent Auditors' Report....1

BASIC FINANCIAL STATEMENTS

Required Supplemental Information (Part 1 of 2)
Management's Discussion and Analysis....4

Government-Wide Financial Statements
Statement of Net Assets....10
Statement of Activities, June 30, 2005....11
Statement of Activities, June 30, 2004....12

Fund Financial Statements
Governmental Funds:
Balance Sheet....14
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets....15
Statement of Revenues, Expenditures and Changes in Fund Balances....16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities....18

Notes to the Financial Statements
Index....20
Notes....21

Required Supplemental Information (Part 2 of 2)
Budgetary Comparison Schedule-General Fund
Year Ended June 30, 2005....35
Budgetary Comparison Schedule-General Fund
Year Ended June 30, 2004....36
Budgetary Comparison Schedule-Debt Service Fund
Year Ended June 30, 2005....37
Budgetary Comparison Schedule-Debt Service Fund
Year Ended June 30, 2004....38

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

TABLE OF CONTENTS

Page No.

SUPPLEMENTARY INFORMATION

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards* 40

Schedule of Findings and Questioned Costs 42

Summary Schedule of Prior Year Findings 44

Management's Corrective Action Plan 45

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(225) 775-4982

INDEPENDENT AUDITORS' REPORT

Members of the Board of Commissioners
Parishwide Fire Protection District of
East Feliciana Parish, Louisiana
P. O. Box 427
Clinton, Louisiana 70722

We have audited the accompanying financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Parishwide Fire Protection District of East Feliciana Parish, Louisiana, as of and for the years ended June 30, 2005 and 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Parishwide Fire Protection District of East Feliciana Parish, Louisiana's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and the aggregate remaining fund information of the Parishwide Fire Protection District of East Feliciana Parish, Louisiana, as of June 30, 2005 and 2004, and the respective changes in the financial position thereof and for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The required supplemental information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Parishwide Fire Protection District of East Feliciana Parish, Louisiana's management. It has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards,* we have also issued our report dated November 29, 2005, on our consideration of the Parishwide Fire Protection District of East Feliciana Parish, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying supplemental information listed in the table of contents under Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

John D. Butler & Company
A Professional Accounting Corporation
November 29, 2005

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005

Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34. Its purpose is to provide an overview of the financial activities of the District based on currently known facts, decisions and/or conditions.

HIGHLIGHTS OF THE PAST YEAR

- While the District ended each year with deficit net assets, the deficiency decreased by $217,640 or 36% during 2004-05.

- Current assets, consisting primarily of cash and cash equivalents, increased by 14% or $89,362.

- The District has been able to meet its bonded debt obligations timely since its inception.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplementary information contained in this report provided for additional information.

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the District from an economic resource measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the District's overall financial status. They include a statement of net assets and statement of activities.

Statement of Net Assets. This statement 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 net assets may serve as a useful indicator of whether the financial position of the District is improving or not.

Statement of Activities. This statement presents information showing how the District'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. This statement is designed to show the District's financial reliance on general revenues.

The government-wide financial statements can be found on pages 10-12 of this report.

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 District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one category of funds: 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 except that the focus with fund statements is to provide a distinct view of the District's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Governmental funds of the District include a general fund that is used to account for all accounts not required to be accounted for separately and a debt service fund to account for the accumulation of resources to pay principal and interest on long-term debt.

The fund financial statements can be found on pages 14-18 of this report.

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.

The index of the notes is found on page 20 with the actual notes beginning immediately afterwards.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparisons on pages 35-38. These schedules indicate the District's compliance with its adopted and final revised budgets.

FINANCIAL ANALYSIS OF THE DISTRICT

Net assets are an indicator of the District's financial position from year to year. A summary of net assets follows.

SUMMARY OF NET ASSETS
Governmental Activities

	2005	2004	2003
Assets			
Current assets	$ 749,876.03	$ 660,514.17	$ 634,906.70
Capital assets, net	637,019.02	750,117.61	1,014,025.48
Total Assets	1,386,895.05	1,410,631.78	1,648,932.18
Liabilities			
Current liabilities	256,418.23	241,376.92	226,331.64
Long-term liabilities	1,517,012.01	1,773,430.24	2,014,807.16
Total Liabilities	1,773,430.24	2,014,807.16	2,241,138.80
Net Assets			
Invested in capital assets, net of accumulated depreciation and related debt	(1,136,411.22)	(1,264,689.55)	(1,225,059.99)
Restricted for debt service	244,929.27	206,858.41	187,259.32
Unrestricted	504,946.76	453,655.76	445,594.05
Net Assets (Deficit)	(386,535.19)	(604,175.38)	(592,206.62)

A summary of changes in net assets is as follows:

SUMMARY OF CHANGES IN NET ASSETS
Governmental Activities

	2005	2004	2003
Revenues			
Operating grants/contributions	$ .00	$ .00	$ 15,731.00
Capital grants/contributions	15,884.50	65,035.26	.00
General revenues:			
Property taxes	377,546.00	352,861.83	377,546.17
Fire protection fees	240,000.00	239,200.00	239,200.00
Interest earned	2,779.83	3,467.66	5,299.84
Other revenues	9,895.49	8,266.28	145,175.02
Total Revenues	630,221.32	603,795.77	767,221.03
Expenses			
General government	327,284.38	567,497.62	678,439.19
Interest on long-term debt	101,181.25	113,302.17	130,653.61
Total Expenses	428,465.63	680,799.79	809,092.80
Change in net assets	217,640.19	(11,968.76)	(26,140.77)
Net assets (deficit), beginning	(604,175.38)	(592,206.62)	(566,065.85)
Net assets (deficit), ending	(386,535.19)	(604,175.38)	(592,206.62)

BUDGETARY HIGHLIGHTS

The District's general fund received $16,168 more in revenues than it anticipated during the year ended June 30, 2005. Its expenditures were less than budgeted by $33,010 creating a positive variance of $49,177 in its change in fund balances for the year. In the prior year, even though expenditures were $57,450 more than budgeted, the District ended the year with overall positive variance of $8,148.

The District does not budget its debt service except for any shortfalls it anticipates in property tax receipts. As a result, its expenditures were $332,867 and $329,634 more than budgeted for the years ended June 30, 2005 and 2004, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The District's investment in capital assets, net of accumulated depreciation and related debt at June 30, 2005, 2004 and 2003 was $(1,136,411.22), $(1,264,689.55) and $(1,225,059.99), respectively. Additions over the past three years have been primarily the construction/rehabilitation of fire stations throughout the parish as well as the purchase of fire safety and communications equipment.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS
Net of Accumulated Depreciation
Governmental Activities

	2005	2004	2003
Non-Depreciable Assets			
Land	$ 18,500.00	$ 18,500.00	$ 18,500.00
Depreciable Assets			
Building	385,384.07	393,495.40	418,679.48
Vehicles	197,583.75	257,058.74	468,904.91
Equipment	35,551.20	81,063.47	107,941.09
Net Capital Assets	637,019.02	750,117.61	1,014,025.48

Long-Term Debt: The Bluff Creek station borrowed $33,000 from Feliciana Bank & Trust Co. to build its station. The balance at June 30, 2005, 2004 and 2003 was $13,430.24, $14,807.16 and $16,138.80, respectively.

The District also issued general obligation bonds in the amount of $3,500,000 for the purpose of acquiring, constructing and improving buildings, machinery and equipment. The balance on these bonds was $1,760,000, $2,000,000 and $2,225,000 at June 30, 2005, 2004 and 2003 respectively.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Judith Kelly, P. O. Box 427, Clinton, Louisiana 70722, (225) 683-3100.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2005 AND 2004

	Governmental Activities	
	2005	2004
ASSETS		
Cash and cash equivalents	$ 512,515.12	$ 443,491.20
Receivables, net of uncollectible allowance	199,128.91	178,790.97
Prepaid expenses	38,232.00	38,232.00
Capital assets, net of accumulated depreciation	637,019.02	750,117.61
Total Assets	1,386,895.05	1,410,631.78
LIABILITIES		
Notes payable	13,430.24	14,807.16
Bonds payable	1,760,000.00	2,000,000.00
Total Liabilities	1,773,430.24	2,014,807.16
NET ASSETS		
Investment in capital assets, net of related debt	(1,136,411.22)	(1,264,689.55)
Restricted for:		
Debt service	244,929.27	206,858.41
Unrestricted	504,946.76	453,655.76
Total Net Assets (Deficit)	(386,535.19)	(604,175.38)

The accompanying notes are an integral part of this statement.

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses): Governmental Activities
Governmental Activities					
General government	$ 327,284.38	$ -	$ -	$ 15,884.50	$ (311,399.88)
Interest on long-term debt	101,181.25	-	-	-	(101,181.25)
Total Government Activities	428,465.63	-	-	15,884.50	(412,581.13)
General Revenues					
Property taxes					377,546.00
Fire protection fees					240,000.00
Interest earnings					2,779.83
Other revenues					9,895.49
Total General Revenues					630,221.32
Change in Net Assets					217,640.19
Net Assets (Deficit), beginning					(604,175.38)
Net Assets (Deficit), ending					(386,535.19)

The accompanying notes are an integral part of this statement.

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses): Governmental Activities
Governmental Activities					
General government	$ 567,497.62	$ -	$ -	$ 65,035.26	$ (502,462.36)
Interest on long-term debt	113,302.17	-	-	-	(113,302.17)
Total Government Activities	680,799.79	-	-	65,035.26	(615,764.53)
General Revenues					
Property taxes					352,861.83
Fire protection fees					239,200.00
Interest earnings					3,467.66
Other revenues					8,266.28
Total General Revenues					603,795.77
Change in Net Assets					(11,968.76)
Net Assets (Deficit), beginning					(592,206.62)
Net Assets (Deficit), ending					(604,175.38)

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

With Comparative Totals as of June 30, 2004

	General	Debt Service	Total Governmental Funds 2005	Total Governmental Funds 2004
ASSETS				
Cash and cash equivalents	$ 349,994.49	$ 162,520.63	$ 512,515.12	$ 443,491.20
Property taxes receivable, net	-	82,408.64	82,408.64	78,119.78
Fire protection fees receivable, net	116,720.27	-	116,720.27	100,671.19
Prepaid expenses	38,232.00	-	38,232.00	38,232.00
TOTAL ASSETS	504,946.76	244,929.27	749,876.03	660,514.17
LIABILITIES AND FUND BALANCES				
Liabilities:	-	-	-	-
Fund Balances:				
Reserved for debt service	-	244,929.27	244,929.27	206,858.41
Unreserved	504,946.76	-	504,946.76	453,655.76
Total Fund Balances	504,946.76	244,929.27	749,876.03	660,514.17
TOTAL LIABILITIES AND FUND BALANCES	504,946.76	244,929.27	749,876.03	660,514.17

The accompanying notes are an integral part of this statement.

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2005 AND 2004

	2005	2004
Total Fund Balances - Total Governmental Funds	$ 749,876.03	$ 660,514.17
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet	637,019.02	750,117.61
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet	(1,773,430.24)	(2,014,807.16)
Total Net Assets - Governmental Activities	(386,535.19)	(604,175.38)

The accompanying notes are an integral part of this statement.

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2005

With Comparative Totals for the Year Ended June 30, 2004

	General	Debt Service	Total Governmental Funds 2005	Total Governmental Funds 2004
REVENUES				
Property taxes	$ -	$ 377,546.00	$ 377,546.00	$ 352,861.83
Fire protection fees	240,000.00	-	240,000.00	239,200.00
Total Revenues	240,000.00	377,546.00	617,546.00	592,061.83
EXPENDITURES				
General government	192,108.35	309.09	192,417.44	231,298.21
Debt service:				
Principal	-	241,376.92	241,376.92	226,331.64
Interest	-	101,181.25	101,181.25	113,302.17
Capital outlay	21,768.35	-	21,768.35	72,291.54
Total Expenditures	213,876.70	342,867.26	556,743.96	643,223.56
Change in Fund Balances Before Other Financing Sources (Uses)	26,123.30	34,678.74	60,802.04	(51,161.73)

Continued

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
GOVERNMENTAL FUNDS
JUNE 30, 2005

With Comparative Totals for the Year Ended June 30, 2004

	General	Debt Service	Total Governmental Funds 2005	Total Governmental Funds 2004
OTHER FINANCING SOURCES (USES)				
Grant proceeds	$ 574.00	$ -	$ 574.00	$ 13,500.00
Donations	12,752.33	2,558.17	15,310.50	51,535.26
Other revenues	9,895.49	-	9,895.49	8,266.28
Interest earned	1,945.88	833.95	2,779.83	3,467.66
Total Other Financing Sources (Uses)	25,167.70	3,392.12	28,559.82	76,769.20
Net Change in Fund Balances	51,291.00	38,070.86	89,361.86	25,607.47
Fund Balances, beginning	453,655.76	206,858.41	660,514.17	634,906.70
Fund Balances, ending	504,946.76	244,929.27	749,876.03	660,514.17

The accompanying notes are an integral part of this statement.

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2005 AND 2004

	2005	2004
Net Change in Fund Balances - Total Governmental Funds	$ 89,361.86	$ 25,607.47
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report the purchase of long-lived assets as current year 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 depreciation charged exceeded capital outlay in the current period.	(113,098.59)	(263,907.87)
Governmental funds report principal paid as an expenditure but, in the Statement of Activities, these payments represent a reduction in liabilities. This is the amount of principal paid in the current period.	241,376.92	226,331.64
Change in Net Assets - Governmental Activities	217,640.19	(11,968.76)

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note		Page No.
	Introduction	21
1.	Summary of Significant Accounting Policies	21
2.	Cash and Cash Equivalents	26
3.	Receivables	27
4.	Capital Assets	28
5.	Pension Plan	30
6.	Accounts and Other Payable	30
7.	Changes in Long-term Obligations	30
8.	Taxes	31
9.	Interfund Transactions	32
10.	Reserved Fund Balances	32
11.	Related Party Transactions	32
12.	Litigation	33
13.	Subsequent Events	33

INTRODUCTION

The Parishwide Fire Protection District of East Feliciana Parish, Louisiana (District) was established on November 7, 1994, by the Parish Police Jury for the purpose of acquiring, constructing and improving buildings, machinery and equipment to be used in giving fire protection to the citizens of East Feliciana Parish, Louisiana. Its boundaries were extended throughout the parish by resolutions adopted by the governing authorities of the Towns of Clinton, Jackson and Slaughter and the Villages of Norwood and Wilson. It is governed by a Board of Commissioners made up of thirteen individuals. The District covers an area of approximately 455.7 square miles and a population of approximately 20,315 people.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity: The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, established criteria for determining which organizations or component units should be included in the District for reporting purposes. This criteria focuses on the concept of financial accountability and includes the following:

(a) Whether the potential component unit is a legally separate organization with the capacity to have its own name, the right to sue and be sued and the right to buy, sell, lease and mortgage property in its own name;
(b) Whether the District appoints a voting majority of the potential component unit's governing body;
(c) Whether the potential component unit is fiscally interdependent of the District;
(d) Whether the District possesses the ability to significantly influence the programs, projects, activities or level of services performed or provided by the potential component unit;
(e) Whether the relationship between the District and the potential component unit creates the possibility of a financial benefit/burden.

Based on the definition of a reporting entity and the criteria above, the accompanying financial statements include the volunteer fire departments of Bluff Creek, Clinton, Ethel, Jackson, Jackson Airport, Magnolia, McManus, Norwood, Olive Branch, Pecan Grove, Slaughter, Wilson and Woodland as blended component units. The activities, included in the financial reporting entity as part of the General Fund, of these departments are those related to the fire protection fee received by the District and disbursed to the departments. Each month, the individual departments attend the District's Board meetings to report on the status of these funds and gain approval for any expenditures of these funds. The books are maintained by each individual volunteer fire department.

Government-Wide Accounting: In accordance with Government Accounting Standards Board Statement No. 34, the District has presented a Statement of Net Assets and Statement of Activities for the District as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity
Interfund receivables and payables are eliminated in the Statement of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they were allocated.

Application of FASB Statements and Interpretations
Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets
Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net assets.

Under the requirements of GASB Statement No. 34, the District is considered a Phase 3 government as its total annual revenues are less than $10 million. Such governments are not required to report major general infrastructure assets retroactively. However, the District does not have these types of capital assets.

Program Revenues
The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the District. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for a specific use.

Indirect Expenses
Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the District has chosen not to do so.

Operating Revenues
Proprietary funds separately report operating and non-operating revenues. The District does not have any proprietary funds.

Restricted Net Assets
Restricted net assets are those for which a constraint has been imposed either externally or by law. The District recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net assets are used.

Fund Accounting: The District uses funds to report on its financial position and the result of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified as governmental. This category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund – the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

2. Debt Service Fund – accounts for the payment of interest and principal on long-term debt.

Basis of Accounting/Measurement Focus: The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. The District does not have any business-type activities.

Budgets and Budgetary Accounting: The District adopts an annual budget for the General Fund and Debt Service Fund. It is prepared in accordance with the basis of accounting utilized by that fund. The Board members must approve any revisions that alter the total expenditures. Budgeted amounts shown are as originally adopted or as amended by the Board. Budget amendments are passed on an as-needed basis, and a balanced budget is required.

If an appropriation ordinance is not passed consistent with the budget, 50% of the prior year appropriation is deemed re-appropriated. Appropriations lapse at year end.

Cash and Cash Equivalents: Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. All cash and cash equivalents of the District are held in demand or interest-bearing demand deposit accounts.

Investments: Investments are limited by La. Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the District are funds held in the Louisiana Asset Management Pool and are considered to be cash equivalents based on maturity dates.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: The District's assets are recorded at historical cost. Donated assets are recorded at fair market value on the date of donation. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Buildings	40 years	Vehicles	7-10 years
Equipment	4-10 years	Infrastructure	40-50 years
Office furniture	5-7 years		

In June of 1999, the Governmental Accounting Standards Board issued Statement No. 34 that requires the inclusion of infrastructure assets used in governmental activities in the basic financial statements retroactively reported back to 1982. All assets of the District are reported in the accompanying financial statements.

Compensated Absences: The District does not have compensated absences.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Net Assets/Fund Balances: In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

Invested in Capital Assets, Net of Related Debt
This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets
Net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets
This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved
These resources are segregated because their use is earmarked for a specific use.

Unreserved
This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

Interfund Transactions: All interfund transactions, except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

Property Taxes: Property taxes are levied by the Police Jury of East Feliciana Parish.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, they 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 held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

With the adoption of GASB Statement No. 40, only deposits considered exposed to custodial credit risk are required to be disclosed. At June 30, 2005, the District had approximately $53,328 in cash and cash equivalents in excess of both federal deposit insurance and pledged collateral.

The District and the Jackson station have investments in a local government investment pool that is administered by a non-profit corporation, LAMP, Inc. This corporation was organized under the laws of the State of Louisiana, and its purpose is to provide a safe environment for the placement of public funds in short-term, high-quality investments. Investments included in its portfolio, that is restricted to those issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its assigns, include only those with maturities of ninety days or less. This design allows participants immediate access to their funds. For this reason, the account balances at year end are recorded in the accompanying financial statement as cash and cash equivalents.

The cash and cash equivalents on hand are as follows:

	2005		2004	
	General	Debt Service	General	Debt Service
Primary Government:				
Interest-bearing demand	$ 84,522.72	$ 162,520.63	$ 74,589.44	$ 128,738.63
Investment at LAMP, Inc.	140,908.78	.00	140,908.74	.00
Blended Component Units:				
Demand deposits	86,530.58	.00	48,619.98	.00
Interest-bearing demand	37,098.79	.00	49,700.75	.00
Investment at LAMP, Inc.	933.62	.00	933.92	.00
Total	349,994.49	162,520.63	314,752.57	128,738.63

NOTE 3 – RECEIVABLES

The following is a summary of receivables at June 30, 2005 and 2004:

	2005		2004	
	General	Debt Service	General	Debt Service
Property taxes	$ .00	$ 104,588.46	$ .00	$ 100,299.60
Fire protection fees	135,574.23	.00	119,525.15	.00
Sub-total	135,574.23	104,588.46	119,525.15	100,299.60
Allowance for uncollectible accounts	(18,853.96)	(22,179.82)	(18,853.96)	(22,179.82)
Net	116,720.27	82,408.64	100,671.19	78,119.78

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets, not being depreciated				
Land	$ 18,500.00	$ .00	$ .00	$ 18,500.00
Capital Assets, being depreciated				
Buildings	1,067,134.31	4,619.37	.00	1,071,753.68
Less: accumulated depreciation	673,638.91	12,730.70	.00	686,369.61
Net Buildings	393,495.40	(8,111.33)	.00	385,384.07
Equipment	589,241.51	9,351.98	.00	598,593.49
Less: accumulated depreciation	508,178.04	54,864.25	.00	563,042.29
Net Equipment	81,063.47	(45,512.27)	.00	35,551.20
Vehicles	2,457,149.95	7,797.00	.00	2,464,946.95
Less: accumulated depreciation	2,200,091.21	67,271.99	.00	2,267,363.20
Net Vehicles	257,058.74	(59,474.99)	.00	197,583.75
Other	151,028.81	.00	.00	151,028.81
Less: accumulated depreciation	151,028.81	.00	.00	151,028.81
Net Other	.00	.00	.00	.00
Net Capital Assets, being depreciated	731,617.61	(113,098.59)	.00	618,519.02
Net Capital Assets	750,117.61	(113,098.59)	.00	637,019.02

Capital asset activity for the year ended June 30, 2004 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets, not being depreciated				
Land	$ 18,500.00	$ .00	$ .00	$ 18,500.00
Capital Assets, being depreciated				
Buildings	1,064,784.31	2,350.00	.00	1,067,134.31
Less: accumulated depreciation	646,104.83	27,534.08	.00	673,638.91
Net Buildings	418,679.48	(25,184.08)	.00	393,495.40
Equipment	563,144.70	26,096.81	.00	589,241.51
Less: accumulated depreciation	455,203.61	52,974.43	.00	508,178.04
Net Equipment	107,941.09	(26,877.62)	.00	81,063.47
Vehicles	2,413,305.22	43,844.73	.00	2,457,149.95
Less: accumulated depreciation	1,944,400.31	255,690.90	.00	2,200,091.21
Net Vehicles	468,904.91	(211,846.17)	.00	257,058.74
Other	151,028.81	.00	.00	151,028.81
Less: accumulated depreciation	151,028.81	.00	.00	151,028.81
Net Other	.00	.00	.00	.00
Net Capital Assets, being depreciated	995,525.48	(263,907.87)	.00	731,617.61
Net Capital Assets	1,014,025.48	(263,907.87)	.00	750,117.61

NOTE 5 – RETIREMENT SYSTEM

The District pays social security and medicare on its employee. No other system of retirement is currently in place.

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

The District did not have any accounts payable at June 30, 2005 or 2004, other than long-term obligations.

NOTE 7 – CHANGES IN LONG-TERM OBLIGATIONS

A summary of changes in long-term debt is as follows:

	Bonds	Notes
Balance at July 1, 2003	$ 2,225,000.00	$ 16,138.80
Principal paid	(225,000.00)	(1,331.64)
Balance at June 30, 2004	2,000,000.00	14,807.16
Principal paid	(240,000.00)	(1,376.92)
Balance at June 30, 2005	1,760,000.00	13,430.24

On April 20, 1996, the issuance of general obligation bonds, series 1996, in the amount of $3,500,000 was approved. They were offered for sale in June of 1996, "...for the purpose of acquiring, constructing and improving buildings, machinery and equipment, both real and personal property, to be used in giving fire protection to the property owners...". The bonds sold with accrued interest of $8,738.12. Interest is payable semi-annually in March and September at 9% for the first six years, 8.4% for the seventh year and 5% for the remaining life of fifteen years. Principal payments are made annually in March as follows:

2006	$ 255,000
2007	270,000
2008	285,000
2009	300,000
2010	315,000
Remaining years	335,000
Total	1,760,000

On March 10, 1995, the Bluff Creek Volunteer Fire Department borrowed $33,000 from Feliciana Bank & Trust Co. to build their station. There was no note nor any amortization schedule for repayment prepared, but a gentlemen's agreement that the loan would be paid back as funds were available at an interest rate of 8%. Interest payments were made during construction. Repayment of approximately $4,000 per year was agreed upon at a later date, and these payments are being made by the volunteer fire funds. The liability and corresponding asset have been recorded in the accompanying financial statements. The loan balance at June 30, 2005 and 2004, was $13,430,24 and $14,807.16, respectively. Payments during the past two years were as follows:

	Principal	Interest
November, 2003	$ 1,331.64	$ 697.36
May, 2004	.00	609.91
November, 2004	.00	558.17
May, 2005	1,376.92	623.08
Total	2,708.56	2,488.52

NOTE 8 – TAXES

A special ad valorem tax was levied, assessed and imposed on all taxable property within the Parish of East Feliciana. Approval was granted with a special election held on April 20, 1996, for the purpose of paying principal and interest on general obligation bonds, series 1996, in the amount of $3,500,000. The tax is collected by the Parish Policy Jury and remitted to the District. Taxes are due on January 1st and become delinquent on December 31st. For the year 2003, a tax of 6.25 mills was levied. This was billed and due by December 31, 2003. A millage of 6.25 was levied for the 2004 year, due no later than December 31, 2004.

The 1974 Louisiana Constitution (Article 7 Section 18) provides for the following assessments based on fair market values:

Land and improvements for residential purposes	10%
Other property and electric cooperative properties, excluding land	15%
Public service properties, excluding land	25%

Fair market value is determined by the elected assessor of the Parish except for public service properties which are valued by the Louisiana Tax Commission according to La. Revised Statute 47:1957. These assessments are subject to review and certification by the Louisiana Tax Commission. Property subject to taxation is required to be reassessed at intervals of not more than four years.

Property taxes are recognized in the accounting period in which they become available and measurable which is the calendar year of the tax levy. Accordingly, the tax roll is recorded as revenue in the current year, and an estimated uncollectible amount is recorded.

The property tax calendar is as follows;

Levy date	September 25
Tax bills mailed	December 2
Due date	December 31
Lien date	January 1

In accordance with the provisions of La. Revised Statute 40:1502.13, as amended, the District levied a fire protection tax of $36 on persons owning residential or commercial structures and $28 on persons owning mobile homes, whether occupied or not, located wholly or partly within the boundaries of the District. This tax is levied on each structure for the purpose of providing fire protection and emergency services.

NOTE 9 – INTERFUND TRANSACTIONS

There were no transfers during the years ended June 30, 2005 and 2004.

NOTE 10 – RESERVED FUND BALANCES

The following is a summary of reserved fund balances at June 30, 2004 and 2005:

	2005	2004
Debt service	$ 244,929.27	$206,858.41

NOTE 11 – RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure in the accompanying financial statements.

NOTE 12 – LITIGATION

A malfeasance in office charge was made against the then-fire chief of the Woodland Volunteer Fire Department in the 20th Judicial District Court in May of 2005. He pleaded no contest and was fined $500 with a one-year suspended prison term. He was also ordered to make restitution to the department at an amount that has not yet been determined. Part of this restitution involved funds provided to the department by the District.

NOTE 13 – SUBSEQUENT EVENTS

There were no subsequent events that would have a significant impact on the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fire protection fees	$ 240,000.00	$ 240,000.00	$ 240,000.00	$ -
EXPENDITURES				
General government	169,729.00	182,500.00	192,108.35	(9,608.35)
Capital outlay	64,386.00	64,386.00	21,768.35	42,617.65
Total Expenditures	234,115.00	246,886.00	213,876.70	33,009.30
Change in Fund Balances Before Other Financing Sources (Uses)	5,885.00	(6,886.00)	26,123.30	33,009.30
OTHER FINANCING SOURCES (USES)				
Grant proceeds	-	-	574.00	574.00
Donations	12,800.00	5,000.00	12,752.33	7,752.33
Other revenues	2,732.00	4,000.00	9,895.49	5,895.49
Interest earned	1,595.00	-	1,945.88	1,945.88
Total Other Financing Sources (Uses)	17,127.00	9,000.00	25,167.70	16,167.70
Change in Fund Balances	23,012.00	2,114.00	51,291.00	49,177.00
Fund Balances, beginning	453,655.76	453,655.76	453,655.76	-
Fund Balances, ending	476,667.76	455,769.76	504,946.76	49,177.00

See Auditors' Report.

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fire protection fees	$ 240,000.00	$ 240,000.00	$ 239,200.00	$ (800.00)
EXPENDITURES				
General government	100,000.00	118,250.00	231,298.21	(113,048.21)
Capital outlay	129,213.00	127,890.00	72,291.54	55,598.46
Total Expenditures	229,213.00	246,140.00	303,589.75	(57,449.75)
Change in Fund Balances Before Other Financing Sources (Uses)	10,787.00	(6,140.00)	(64,389.75)	(58,249.75)
OTHER FINANCING SOURCES (USES)				
Grant proceeds	-	-	13,500.00	13,500.00
Donations	-	-	48,896.35	48,896.35
Other revenues	6,500.00	4,000.00	5,574.42	1,574.42
Interest earned	-	-	2,427.36	2,427.36
Total Other Financing Sources (Uses)	6,500.00	4,000.00	70,398.13	66,398.13
Change in Fund Balances	17,287.00	(2,140.00)	6,008.38	8,148.38
Fund Balances, beginning	447,647.38	447,647.38	447,647.38	-
Fund Balances, ending	464,934.38	445,507.38	453,655.76	8,148.38

See Auditors' Report.

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	$ -	$ -	$ 377,546.00	$ 377,546.00
EXPENDITURES				
General government	-	-	309.09	(309.09)
Debt service				
Principal	7,000.00	7,000.00	241,376.92	(234,376.92)
Interest	3,000.00	3,000.00	101,181.25	(98,181.25)
Total Expenditures	10,000.00	10,000.00	342,867.26	(332,867.26)
Change in Fund Balances Before Other Financing Sources (Uses)	(10,000.00)	(10,000.00)	34,678.74	44,678.74
OTHER FINANCING SOURCES (USES)				
Donations	-	-	2,558.17	2,558.17
Interest earned	-	-	833.95	833.95
Total Other Financing Sources (Uses)	-	-	3,392.12	3,392.12
Change in Fund Balances	(10,000.00)	(10,000.00)	38,070.86	48,070.86
Fund Balances, beginning	206,858.41	206,858.41	206,858.41	-
Fund Balances, ending	196,858.41	196,858.41	244,929.27	48,070.86

See Auditors' Report.

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	$ -	$ -	$ 352,861.83	$ 352,861.83
EXPENDITURES				
Debt service:				
Principal	7,000.00	7,000.00	226,331.64	(219,331.64)
Interest	3,000.00	3,000.00	113,302.17	(110,302.17)
Total Expenditures	10,000.00	10,000.00	339,633.81	(329,633.81)
Change in Fund Balances Before Other Financing Sources (Uses)	(10,000.00)	(10,000.00)	13,228.02	23,228.02
OTHER FINANCING SOURCES (USES)	-	-	-	-
Donations	-	-	2,638.91	2,638.91
Other revenues	-	-	2,691.86	2,691.86
Interest earned	-	-	1,040.30	1,040.30
Total Other Financing Sources (Uses)	-	-	6,371.07	6,371.07
Change in Fund Balances	(10,000.00)	(10,000.00)	19,599.09	29,599.09
Fund Balances, beginning	187,259.32	187,259.32	187,259.32	-
Fund Balances, ending	177,259.32	177,259.32	206,858.41	29,599.09

See Auditors' Report.

SUPPLEMENTARY INFORMATION

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(225) 775-4982

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Board of Commissioners
Parishwide Fire Protection District of
East Feliciana Parish, Louisiana
P. O. Box 427
Clinton, Louisiana 70722

We have audited the financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Parishwide Fire Protection District of East Feliciana Parish, Louisiana, as of and for the two years ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 29, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Parishwide Fire Protection District of East Feliciana Parish, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and that are described in the schedule of findings and questioned costs as items 2005.01 and 2005.02.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Parishwide Fire Protection District of East Feliciana Parish, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Parishwide Fire Protection District of East Feliciana Parish, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2005.01 and 2005.02.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe the reportable conditions described above are material weaknesses.

This report is intended solely for the information and use of management, Board of Commissioners, Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under La. Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.

John D. Butler & Co.

John D. Butler & Company
A Professional Accounting Corporation
November 29, 2005

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005

We have audited the financial statements of the Parishwide Fire Protection District of East Feliciana Parish, Louisiana as of and for the years ended June 30, 2005 and 2004, and have issued our report thereon dated November 29, 2005. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2005 and 2004, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Material Weakness	□ Yes
	Reportable Condition	□ Yes
Compliance	Compliance Material to F/S	□ Yes

2. Federal Awards

N/A

Section II Financial Statement Findings

2005.01 *Accounting System and Oversight*

An effective accounting system does not exist at most of the individual fire stations for funds distributed by the District. La. Revised Statute 24:515 requires, "all accounts of such public funds shall be kept in the form prescribed by the legislative auditor...". Additionally, the lack of an accounting system does not allow appropriate oversight of funds distributed by the District. It was this lack of proper reporting and oversight that created an environment in which a volunteer was able to misappropriate funds for his personal use.

An effective accounting system clearly reflects the financial position of the governmental agency allowing for better decisions based on accurate and timely information. It provides protection and stewardship over the assets of the agency thus enhancing internal controls. Proper design allows the creation and timely production of reports.

It is our recommendation that all individual stations be required to implement an accounting system naming a designee responsible for its maintenance. We further recommend that a copy of the bank statements, reconciliation and revenue/expense report be provided to the Commissioners monthly for review and approval.

2005.02 *Inventory*

The District does not maintain an all-inclusive inventory record of its capital assets and a physical inventory is not periodically taken. La. Revised Statute 24:515 requires that each auditee, "... maintain records of all land, buildings, improvements other than building, equipment and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable..,". A volunteer was able to take assets from the Woodland station for his personal use. A periodic physical count would have reflected missing assets more timely.

Accurate inventory records allow proper safeguarding of District assets thus enhancing internal controls. They also provide a basis for periodic inventory checks to confirm existence of assets for which the District is responsible thereby detecting theft.

We recommend that an asset inventory report be created to include all information required by La. Revised Statute 24:515. We also recommend that periodic physical inventory checks be made.

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2005

LEGISLATIVE AUDITOR RECEIVED 06 FEB 22 PM 12:16

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

M03-01 Budget Amendments

Condition: Actual amounts exceeded budgeted amounts by more than 5% on several items.

Recommendation: A review of budget to actual comparisons should be performed at least quarterly.

Current Considerations: This is being done, but additional emphasis will be placed on budgeting for bond payments.

M03-02 Related Party Transactions

Condition: Payments for services rendered were made to businesses owned by volunteer firemen.

Recommendation: An advisory opinion should be sought from either the District's attorney or the Board of Ethics in regards to transactions involving businesses substantially owned by firemen assigned to that station.

Current Consideration: This practice has been stopped.

M03-03 Unprotected Cash

Condition: Cash balances were unprotected at various times during the year.

Recommendation: The District should talk to the bank about additional collateral to ensure adequate coverage.

Current Condition: This was done.

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2005

Section I Internal Control and Compliance Material to the Financial Statements

2005.01 Accounting System and Oversight A policy will be implemented to require all stations to implement an accounting system as required by La. R.S. 24:515	*Person Responsible:* Chair *Implementation :* by June 30, 2006
2005.02 Inventory Records An inventory record will be created and timely maintained. A plan for periodic physical checks will be discussed for implementation.	*Person Responsible:* Chair *Implementation:* by June 30, 2006

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A