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**WASHINGTON PARISH FIRE PROTECTION  
DISTRICT NO. 7  
Ben's Ford, Louisiana**

**Annual Financial Statements  
As of and for the Year  
Ended December 31, 2005**

*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 7-26-06

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**  
**Annual Financial Statements**  
**As of and for the Year Ended December 31, 2005**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Washington Parish Fire Protection District No. 7  
Ben's Ford, Louisiana

I have audited the accompanying financial statements of the governmental activities and each major fund of the Washington Parish Fire Protection District No. 7, a component unit of the Washington Parish Government, as of and for the year ended December 31, 2005, which collectively comprise the Assessor's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Washington Parish Fire Protection No. 7's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Washington Parish Fire Protection District No. 7 as of December 31, 2005, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 23, 2006 on my consideration of the Washington Parish Fire Protection District No. 7's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of

an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and on pages 26 and 27, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

*Jerry J Heck*

June 23, 2006

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Management's Discussion and Analysis**

Washington Parish Fire Protection District No. 7 is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards 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 Management's Discussion and Analysis (MD&A) is designed to:

1. assist the reader in focusing on significant financial issues,
2. provide an overview of the District's financial activities,
3. identify changes in the District's overall financial position and results of operations and assist the user in determining whether the financial position has improved or deteriorated as result of the year's operations,
4. identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity, and
5. identify individual fund issues or concerns.

The information contained within this MD&A should be considered only as part of a whole. The reader of this statement should take time to read and evaluate all sections of this report, including the footnotes and other Required Supplemental Information (RSI) that are provided in addition to this MD&A.

**Overview of Annual Financial Report**

Management's Discussion and Analysis (MD&A) serves as an introduction to the 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 required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**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 presented using the accrual basis of accounting.

The statement of net assets presents information on all of the District's assets and liabilities, with 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.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Management's Discussion and Analysis**

**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 segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The District uses a general fund and a debt service fund. The modified accrual basis of accounting is used by the governmental funds.

**Notes to financial statements.** The notes to the financial statements provide required disclosure 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.*

**Financial Highlights**

- At December 31, 2005, the District recorded total net assets (assets less liabilities) of \$1,506,807. The largest component of net assets was "net assets invested in capital assets, net of related debt" at \$760,429.
- The most significant continuing revenue source was ad valorem taxes of \$477,842.
- The District's long-term debt at December 31, 2005 is \$736,002 as compared to long-term debt at December 31, 2004 was \$499,618. The increase of \$236,384 is due to a new capital lease of \$339,853 less regular payments of principal of \$103,469.

**Financial Analysis**

**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. 7**  
**Ben's Ford, Louisiana**

**Management's Discussion and Analysis**

**Condensed Statement of Net Assets**

	December 31, 2005	December 31, 2004	Dollar Change
<b>Assets</b>			
Current And Other Assets	\$ 780,805	\$ 620,847	\$ 159,958
Capital Assets, Net	1,496,431	1,185,394	311,037
Total Assets	<u>\$ 2,277,236</u>	<u>\$ 1,806,241</u>	<u>\$ 470,995</u>
<b>Liabilities</b>			
Current Liabilities	\$ 34,427	\$ 41,451	\$ (7,024)
Long-Term Liabilities	736,002	499,617	236,385
Total Liabilities	<u>770,429</u>	<u>541,068</u>	<u>229,361</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	760,429	685,777	74,652
Restricted for Debt Service	142,948	53,088	89,860
Unrestricted	603,430	526,308	77,122
Total Net Assets	<u>\$ 1,506,807</u>	<u>\$ 1,265,173</u>	<u>\$ 241,634</u>

**Government-Wide Review of 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 \$1,506,807 (net assets). Of the District's net assets, \$142,948 is Restricted Net Assets consisting of funds for debt service. The balance of net assets includes \$760,429 Invested in Capital Assets, Net of Related Debt, and \$603,430 in Unrestricted Net Assets.

The largest category of net assets is Invested in Capital Assets, Net of Related Debt, totaling \$760,429 or 50.47% of net assets. This category reflects the total invested in capital assets (land, building, equipment, etc.) net of any related debt used to acquire capital assets. These capital assets are used to provide services to citizens and do not represent assets available for future spending.

The second largest category of net assets is Unrestricted totaling \$603,430 or 40.05% of net assets. These assets are available to meet the ongoing needs of the District.

At the end of the current fiscal year, the District reported positive balances in all categories of net assets for the government as a whole, as well as for separate governmental activities.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Management's Discussion and Analysis**

**Condensed Statement of Activities**

	<u>12/31/05</u>	<u>12/31/04</u>	<u>Dollar Change</u>
<b>Program Expenses</b>			
Public Safety	<u>\$ 417,173</u>	<u>\$ 341,985</u>	<u>\$ 75,188</u>
<b>General Revenues</b>			
Ad valorem Taxes	477,842	436,670	41,172
Other revenues	<u>130,184</u>	<u>57,959</u>	<u>72,225</u>
Total Revenues	<u>608,026</u>	<u>494,629</u>	<u>113,397</u>
<b>Change in Net Assets</b>	190,853	152,644	38,209
Net Assets, beginning of the year	1,265,173	1,112,529	152,644
Prior period adjustment	<u>50,781</u>	<u>-</u>	<u>50,781</u>
Net Assets, end of the year	<u>\$ 1,506,807</u>	<u>\$ 1,265,173</u>	<u>\$ 241,634</u>

Significant categories of the Statement of Activities are noted below:

- Ad valorem taxes are the primary source of revenue totaling \$477,842 for the fiscal year ending December 31, 2005, at 78.59% of total revenue. The next largest revenue source is from the Federal Emergency Management Agency at \$57,695 (9.49% of total revenue).
- The major expenditure within the statement of activities is for "salaries, taxes, and retirement" at \$158,929 (38.10% of total expenditures), followed by depreciation expense at \$81,635 (19.57%). Health, worker compensation insurance of \$34,794, insurance expense of \$26,861, and interest expense of \$18,166 are 19.13% of total expenditures.

**Analysis of Fund Financial Statements**

**Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable 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 resources available for spending at the end of the year.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Management's Discussion and Analysis**

As of December 31, 2005, the District's governmental funds reported a combined ending fund balance of \$747,822, an increase of \$170,738 in comparison with prior year. Approximately 80.88 percent of this total (\$604,874) 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 is not available for new spending because it is already committed for debt service (\$142,948).

The General Fund is the primary operating fund of the District. At the end of 2005, the unreserved balance was \$604,874. For the year 2005, the fund balance increased by \$132,830 including prior period adjustments of \$48,096.

**Budgetary Highlights**

The District has a formal policy on adopting a budget. The District prepares the budget on the modified accrual basis of accounting. The budget for year ending December 31, 2005, was adopted at the District's December 13, 2004, regular meeting. The amended budget was approved at the District's regular meeting on December 13, 2005. All appropriations lapse at year-end. Actual ad valorem tax revenue exceeded the final budgeted ad valorem tax revenue by \$78,466 and total actual revenue exceeded the final budgeted revenue by \$105,919. Actual capital outlay exceeded the final budgeted capital outlay by \$348,776. Fire trucks of \$392,535 were acquired and financed, in part, by a \$339,853 capital lease obligation.

**Capital Assets**

At the end of the fiscal year December 31, 2005, the District had \$1,496,431 (net of accumulated depreciation) 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 capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Fire Stations	40 years
Fire Trucks and Other Truck	5-20 years
Equipment	3-10 years

Capital assets are recorded at historical cost or estimated historical cost if actual cost is 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. 7**  
**Ben's Ford, Louisiana**

**Management's Discussion and Analysis**

Capital asset balances for the years ended December 31, 2005 and 2004 follow:

	<u>12/31/05</u>	<u>12/31/04</u>
Land	\$ 23,000	\$ 23,000
Fire trucks	1,372,714	980,179
Fire house	591,791	591,790
Fire equipment	243,765	242,120
Office equipment	12,892	12,892
Other equipment	30,883	25,008
subtotal	<u>2,275,045</u>	<u>1,874,989</u>
Less Accumulated		
Depreciation	<u>( 778,614)</u>	<u>( 696,979)</u>
Net Capital Assets	<u>\$ 1,496,431</u>	<u>\$ 1,178,010</u>

For the period end December 31, 2005, capital additions consisted primarily of a rescue pumper (\$259,108) a tanker (\$113,744) and a Ford F-150 truck (\$19,683).

**Long-Term Debt**

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

A schedule of changes in the long-term debt obligations for the District during 2005 follows:

	<u>12/31/2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/2005</u>	<u>Payment</u>
Obligation Bonds	\$ 352,000		\$ 31,000	\$ 321,000	\$ 35,000
Cert. Of Indebtedness	37,000		37,000	-	-
Capital Lease - 2003	110,618		35,469	75,149	36,854
Capital Lease - 2005	-	339,853	-	339,853	23,063
	<u>\$ 499,618</u>	<u>\$ 339,853</u>	<u>\$ 103,469</u>	<u>\$ 736,002</u>	<u>\$ 94,917</u>

**Economic Factors and Next Year's Budget**

The primary source of revenue for Washington Parish Fire Protection District No. 7 is ad valorem taxes. It is expected that 2006 tax revenues will increase slightly due to continued economic growth in the parish. Budgeted expenditures for salaries, taxes and retirement in 2006 were reduced by approximately \$20,000 from actual 2005 expenditures due to an expected decrease in overtime wages. In addition, 2006 budgeted capital outlay expenditures are approximately \$46,000 less than 2005 budgeted capital outlay expenditures.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7  
Ben's Ford, Louisiana**

**Management's Discussion and Analysis**

**Requests for Information**

This financial report is designed to provide a general overview of Washington Parish Fire Protection District No. 7's finances and to demonstrate the District's accountability. If you have questions regarding this report or need additional information, contact the District at 17380 Bill Booty Road, Bogalusa, LA 70427 (Phone 985 732-5201).

## **BASIC FINANCIAL STATEMENTS**

STATEMENT A

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**  
**Statement of Net Assets**  
**December 31, 2005**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 195,416
Receivables	580,916
Unamortized bond issue costs	4,473
Capital assets	
Land	23,000
Building, trucks, and equipment	<u>2,252,045</u>
Less accumulated depreciation	<u>( 778,614)</u>
Capital assets, net	<u>1,496,431</u>
<b>Total Assets</b>	<b>2,277,236</b>
<b>Liabilities</b>	
Accounts payable	12,237
Pension deduction from ad valorem tax	16,273
Compensated absences payable	5,917
Long-term debt due in one year	94,917
Long-term debt due more than one year	<u>641,085</u>
<b>Total Liabilities</b>	<b><u>770,429</u></b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	760,429
Restricted for debt service	142,948
Unrestricted	<u>603,430</u>
<b>Total Net Assets</b>	<b><u>\$ 1,506,807</u></b>

See accompanying notes.

## STATEMENT B

## WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7

Ben's Ford, Louisiana

Statement of Activities

For the Year Ended December 31, 2005

**Program Expenses****Public Safety:**

Salaries, taxes, retirement	\$ 158,929
Health, worker compensation insurance	34,794
Fuel, gas, and oil	7,375
Dues and subscriptions	1,322
Travel	769
Repairs and maintenance	14,389
Supplies	9,881
Depreciation	81,635
Insurance	26,861
Legal and accounting	6,000
Utilities	17,996
Office	4,805
Communication	4,165
Election	6,597
Training	1,228
Uniforms	1,500
Administrative	300
Deductions for pensions	16,274
Bond amortization	580
Interest	18,166
Other	3,607
Total Program Expenses	<u>417,173</u>

**General Revenues:**

Ad valorem taxes	477,842
State revenue sharing	40,464
Office of Emergency Preparedness	8,183
Federal Emergency Management Agency	57,695
Insurance rebate	16,051
Interest earned	6,596
Other revenues	1,195
Total Revenues	<u>608,026</u>

**Change in Net Assets** 190,853

**Net Assets, beginning of year  
as previously reported** 1,265,173

**Prior period adjustment** 50,781

**Net Assets, end of year** \$ 1,506,807

See accompanying notes.

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7  
 Ben's Ford, Louisiana  
 Balance Sheet  
 Governmental Funds  
 December 31, 2005

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 124,349	\$ 71,067	\$ 195,416
Receivables	507,135	73,781	580,916
Due from other funds	-	573	573
<b>Total Assets</b>	<b><u>\$ 631,484</u></b>	<b><u>\$ 145,421</u></b>	<b><u>\$ 776,905</u></b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 12,237	\$ -	\$ 12,237
Pension deduction from ad valorem tax	13,800	2,473	16,273
Due to other funds	573	-	573
<b>Total Liabilities</b>	<b><u>26,610</u></b>	<b><u>2,473</u></b>	<b><u>29,083</u></b>
<b>Fund Balances:</b>			
Reserved for debt service	-	142,948	142,948
Fund balance – unreserved	604,874	-	604,874
<b>Total Fund Balances</b>	<b><u>604,874</u></b>	<b><u>142,948</u></b>	<b><u>747,822</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 631,484</u></b>	<b><u>\$ 145,421</u></b>	<b><u>\$ 776,905</u></b>

See accompanying notes.

STATEMENT D

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**  
Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Assets  
December 31, 2005

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$ 747,822
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds.	
Governmental capital assets net of depreciation	1,496,431
Long-term liabilities are not reported in the governmental funds.	
Long-term liabilities	( 736,002)
Compensated absences payable represents a long-term liability and is presented in the statement of net assets only.	
Compensated absences payable	( 5,917)
Bond issue costs were reported as an expenditure in the governmental fund, but the bond issue cost is presented as an asset in the statement of net assets and amortized over the life of the related bond.	
Bond issue cost, net of accumulated amortization	<u>4,473</u>
Net Assets of Governmental Activities (Statement A)	<u>\$ 1,506,807</u>

See accompanying notes.

## STATEMENT E

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2005

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 404,974	\$ 72,868	\$ 477,842
State revenue sharing	40,464	-	40,464
Office of Emergency Preparedness	8,183	-	8,183
Federal Emergency Management Agency	57,695	-	57,695
Insurance rebate	16,051	-	16,051
Interest earned	5,099	1,497	6,596
Other revenues	<u>1,195</u>	<u>-</u>	<u>1,195</u>
<b>Total Revenues</b>	<u>533,661</u>	<u>74,365</u>	<u>608,026</u>
<b>Expenditures:</b>			
Salaries, taxes and retirement	155,753	-	155,753
Health, worker compensation insurance	34,794	-	34,794
Fuel, gas and oil	7,375	-	7,375
Dues and subscriptions	1,322	-	1,322
Travel	769	-	769
Repairs and maintenance	14,389	-	14,389
Supplies	9,881	-	9,881
Capital outlay	400,056	-	400,056
Insurance	26,861	-	26,861
Legal and accounting	6,000	-	6,000
Utilities	17,996	-	17,996
Office	4,805	-	4,805
Communication	4,165	-	4,165
Election	6,597	-	6,597
Training	1,228	-	1,228
Uniforms	1,500	-	1,500
Administrative	-	300	300
Deductions for pensions	13,800	2,473	16,273
Debt service:			
Principal retirement	72,469	31,000	103,469
Interest	5,413	12,753	18,166
Other	<u>3,607</u>	<u>-</u>	<u>3,607</u>
<b>Total expenditures</b>	<u>788,780</u>	<u>46,526</u>	<u>835,306</u>
<b>Excess of revenues over (under) expenditures</b>	( 255,119)	27,839	( 227,280)
<b>Other financing sources (uses):</b>			
Capital lease obligations	<u>339,853</u>	<u>-</u>	<u>339,853</u>
<b>Net change in fund balances</b>	84,734	27,839	112,573
<b>Fund balances, beginning of year as previously reported</b>	472,044	105,040	577,084
<b>Prior period adjustment</b>	<u>48,096</u>	<u>10,069</u>	<u>58,165</u>
<b>Fund balances, end of year</b>	<u>\$ 604,874</u>	<u>\$ 142,948</u>	<u>\$ 747,822</u>

See accompanying notes.

STATEMENT F

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**

**Ben's Ford, Louisiana**

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

For the Year Ended December 31, 2005

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds (Statement E) (\$ 227,280)

Governmental funds report capital outlay as expenditures. However, in the statement of activities the costs of assets are allocated over their estimated useful lives and reported as depreciation in the current period.

Expenditures for capital outlay	\$ 400,056	
Less current depreciation	( <u>81,635</u> )	<u>318,421</u>

Repayment of capital lease and long term debt principal is an expenditure in governmental funds but the payment reduces long-term liabilities in the statement of net assets.

Principal payments – capital leases	35,468	
Principal payments – bonds	31,000	
Principal payments – certificate of indebtedness	<u>37,000</u>	103,468

The governmental fund reports bond issue cost as an expenditure; whereas the statement of activities reports the bond issue cost as an asset, net of amortization expense.

Decrease in bond issue cost		( 580 )
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Compensated absences payable is recorded as an expense on the statement of activities.

Increase in compensated absence payable		( <u>3,176</u> )
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Changes in net assets of governmental activities (Statement B)		<u>\$ 190,853</u>
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See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS**

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Notes to the Financial Statements**

**INTRODUCTION**

The 1991 Louisiana Legislature, pursuant to Louisiana Revised Statute 40:1496.12 F, created the Washington Parish Fire Protection District No. 7. 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 an eight 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 covers 125 square miles in the southeastern corner of Washington Parish, outside of the city limits of Bogalusa, Louisiana. It serves approximately 5,479 people and businesses located within the boundaries of the District. The District operates out of six fire stations which are located as follows: Station number 1 is located in the Isabel community; station number 2, the Central Station, is located in the Ben's Ford community; station number 3 is located in Rio; station 4, located on Highway 10 just west of Bogalusa; station 5, located on Highway 439 at Lee Road; and station 6 is located on Highway 21. The District employs a full-time fire chief, four full-time fire fighters and a part-time clerk, but mainly operates with a volunteer staff of firefighters.

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

**A. Reporting Entity**

The District is a component unit of the Washington Parish Government, the financial reporting entity. The Parish Government is financially accountable for the District because it appoints a voting majority of the District's board and has the ability to impose its will on them.

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.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the governmental activities of Washington Parish Fire Protection District No. 7. The effect of interfund activity has been removed from these statements. The District does not have any business-type activities and reports only governmental activities. Governmental activities are supported by ad valorem tax collections dedicated for support of fire protection activities and projects.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Notes to the Financial Statements**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District reports only general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental and proprietary fund financial statements is on "Major" funds. Fund Statements present in separate columns the General Fund, followed by Major Funds, with Non-major Funds aggregated and displayed in a separate column. The new model (GASB Statement 34) sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of Major Funds. In addition to the funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users may be reported as a Major Fund. All of the District's funds are governmental funds and were determined to be Major Funds.

The effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. The District reported only general revenues consisting of ad valorem taxes, state revenue sharing, fire insurance rebates, interest income, reimbursements, and miscellaneous income not restricted for specific purposes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Notes to the Financial Statements**

Interest on cash deposits is recorded as earned. All other revenue items are considered to be measurable and available only when cash is received by the government.

Washington Parish Fire District No. 7 reports the following governmental funds:

**General Fund**

The general fund is the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

**Debt Service Fund**

The debt service fund accounts for transactions relating to resources retained and used for the payment of principal and interest on general obligation bonds.

**D. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**E. Due To/From Other Funds**

These amounts represent ad valorem taxes of the debt service fund deposited in the general fund.

**F. Inventories**

Purchase of various operating supplies are regarded as expenditures at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

**G. Capital Assets**

Capital assets, which include land, buildings, and equipment are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market values at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing assets.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Fire Stations	40 Years
Fire Trucks and Other Trucks	5-20 Years
Equipment, Furniture and Fixtures	3-10 Years

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Notes to the Financial Statements**

**H. Compensated Absences**

The District has the following policy relating to vacation and sick leave for its employees:

1. Vacation Leave – After completing one full year of service (and thereafter upon completion of subsequent years of service) paid firefighters will earn eighteen days of paid vacation per year. Upon completing ten years of service this annual benefit will increase by one day for each year over ten years, up to a maximum vacation period of thirty days. The District will pay all earned vacation at the time of termination..
2. Sick Leave – Permanent paid firefighters are entitled to fifty-two weeks of paid sick leave. All accumulated sick leave lapses upon termination.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the General Fund, when leave is actually taken. Leave privileges are recorded as either a short-term or long-term liability in the government-wide statements, depending on when the leave will be taken.

**I. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**J. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**K. Estimates**

The preparation of financial statements in conformance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the period. Actual results could differ from those estimates.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Notes to the Financial Statements**

**NOTE 2 - LEVIED TAXES**

On April 3, 1993, the voters of the District passed a 4-mill property tax for the purpose of servicing the debt on general obligation bonds in the amount of \$800,000. The tax is to run 20 years, and the funds are for the purpose of acquiring, constructing and improving fire protection facilities and equipment, including fire trucks, for the District. For the period covered by these financial statements, the millage was set at 4 mills.

On July 3, 1996, the District offered a tax proposition and the voters passed a 5-mill tax for the purpose of acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment in and for the District, including the cost of obtaining water for fire protection purposes and paying charges for fire hydrant rentals and service. The tax is for a period of 10 years beginning with the year 1996. For the period covered by these financial statements, the millage was set at 5 mills.

On May 1, 1999, voters of the District approved a 10 year, 5-mill property tax for acquiring, constructing, improving, maintaining and or operating works of public improvement for fire protection purposes of the District, beginning with the year 1999. For the period covered by these financial statements, the millage was set at 5 mills.

On July 20, 2002, the voters of the District renewed the ad valorem tax proposition previously adopted in May 1993. The tax proposition was a 13-mill tax for the purpose of acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment in and for the District for a period of 10 years beginning 2002. For the period covered by these financial statements, the millage was set at 12.27 mills.

Assessed mileages for the year 2005 were as follows:

2005 Assessed value of taxable property	<u>\$ 18,440,200</u>
4.00 mill tax (less pension deduction)	<u>\$ 71,284</u>
5.00 mill tax (less pension deduction)	<u>\$ 89,094</u>
5.00 mill tax (less pension deduction)	<u>\$ 89,094</u>
12.27 mill tax (less pension deduction)	<u>\$ 218,682</u>

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
1. Gaylord Container Corp.	Paper mill	\$21,666,460	12%
2. Florida Gas Transmission Co.	Pipelines	9,727,180	6
3. Entergy Louisiana, Inc.	Power company	<u>8,978,190</u>	<u>5</u>
Total		<u>\$40,371,830</u>	<u>23%</u>

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Notes to the Financial Statements**

The total assessed valuation for all taxpayers at December 31, 2005, was \$173,586,070. This figure was used in calculating the percentage of the "assessed valuation of each of the largest taxpayers" to the "total assessed valuation for all taxpayers".

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

**Budget Information**

The District has a formal policy on adopting a budget. The budget for year ending December 31, 2005, was adopted at the District's December 13, 2004, regular meeting. The budget was amended at the District's regular meeting on December 13, 2005. All appropriations lapse at year-end.

**NOTE 4 – CASH AND CASH EQUIVALENTS**

At December 31, 2005, the District has cash and cash equivalents totaling \$ 195,416 as follows:

Demand deposits	\$ -
Interest bearing demand deposits	122,223
Time deposits	<u>73,193</u>
 Total cash and cash equivalents	 <u>\$ 195,416</u>

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, 2005, the District had \$201,341 in deposits (collected bank balances). These deposits were secured from risk by \$173,946 of federal deposit insurance and \$259,812 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized (category 3) under the provisions of GASB Statement 3, Louisiana 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 by the District that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 5 - RECEIVABLES**

Receivables of \$580,916 at December 31, 2005 are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Ad valorem taxes	\$ 410,643	\$ 73,781	\$ 484,424
State revenue sharing	40,464	-	40,464
Federal Emergency Management Agency	<u>56,028</u>	<u>-</u>	<u>56,028</u>
Total	<u>\$ 507,135</u>	<u>\$ 73,781</u>	<u>\$ 580,916</u>

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Notes to the Financial Statements**

Ad valorem taxes receivable are recorded net of any estimated uncollectible amounts.

**NOTE 6 - CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2005 follows:

	Balance <u>12/31/04</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/05</u>
Capital Assets Not Depreciated				
Land	\$ 23,000	\$	\$	\$ 23,000
Total	23,000			23,000
Capital Assets Depreciated				
Fire houses	591,790	1		591,791
Fire trucks	980,179	392,535		1,372,714
Fire equipment	242,120	1,645		243,765
Office equipment	12,892			12,892
Other equipment	25,008	5,875		30,883
TOTAL	<u>1,851,989</u>	<u>400,056</u>		<u>2,252,045</u>
Less Accumulated Depreciation	<u>( 698,979)</u>	<u>( 81,635)</u>		<u>( 778,614)</u>
Net Capital Assets	<u>\$ 1,178,010</u>	<u>\$ 318,421</u>		<u>\$ 1,496,431</u>

Depreciation expense of \$81,635 for the year ended December 31, 2005 was charged to the "Public Safety" function.

**NOTE 7 - PENSION PLAN**

Plan description

Substantially all paid full-time firefighters of the District are members of the Louisiana Firefighters Retirement System, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection District that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit payable monthly for life, equal to three and one-third percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Notes to the Financial Statements**

The System issues an annual financial report, which is available to the public that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, LA 70804, or by calling (225) 925-4060.

Funding Policy

Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The rate for the period was 18% at December 31, 2005. The calculation of the contribution is based on the applicable percentage times each months covered payroll. The contribution requirements, of the District, are established and may be amended by state statute, as provided by actuarial valuation and are subject to change each year based on results of the valuation for the prior fiscal year. The District's contribution to the System for the year ended December 31, 2005, 2004 and 2003 were \$22,800, \$17,843 and \$18,146, respectively, equal to the required contributions for each year.

**NOTE 8 - COMPENSATED ABSENCES**

At December 31, 2005, employees of the District have accumulated and vested \$5,917 of employee vacation benefits, which were computed in accordance with GASB Codification Section C60. This amount is recorded as a liability in the government-wide statement of net assets.

**NOTE 9 - LONG-TERM LIABILITIES**

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

	December 31, 2004	Additions	Deductions	December 31, 2005
General Obligation Bonds	\$ 352,000	\$	\$ 31,000	\$ 321,000
Certificates of Indebtedness	37,000		37,000	
Capital lease - 2003	110,618		35,469	75,149
Capital lease - 2005		339,853		339,853
<b>TOTAL</b>	<b>\$ 499,618</b>	<b>\$ 339,853</b>	<b>\$ 103,469</b>	<b>\$ 736,002</b>

General long term liabilities are comprised of the following issues:

The General Obligations Refunding Bonds, Series 2003 were issued in the amount of \$383,000 with interest at the rate of 3.79% per annum, maturing on March 13, 2013. The average annual debt service reduction is projected at \$38,300. Interest is payable semi-annually on March 1 and September 1

On September 26, 2003, the District entered into a capital lease with Leasing 2, Inc., for the purchase of a 2004 Sterling Acterra – Ferrara top-mount pumper. The agreement requires four annual payments, due July 1 each year, in the amount of \$39,790.26. The interest rate is fixed for the four year period at 3.980%. The District shall have title to the property during the term of the agreement, except upon an event of default, in which all title, right and/or interest immediately return to the lessor. The agreement contains a "non-appropriation" clause, allowing the District to terminate the lease at the end of any fiscal year for which appropriations for funds for lease payments for the succeeding year cannot be obtained.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Notes to the Financial Statements**

On October 11, 2005, the District entered into capital lease with Leasing 2, Inc. for the purchase of a Ferrara Rescue Pumper and an Osco Tanker for \$259,108 and \$80,745, respectively. The agreement requires twelve annual payments, due September 1 each year, in the amount of \$37,900.43. The interest rate is fixed for the twelve year period at 4.880%. The District shall have title to the property during the term of the agreement, except upon an event of default, in which all title, right and/or interest immediately return to the lessor. The agreement contains a "non-appropriation" clause, allowing the District to terminate the lease at the end of any fiscal year for which appropriations for funds for lease payments for the succeeding year cannot be obtained.

The annual requirements to amortize all long-term liabilities outstanding at December 31, 2005, including interest of \$171,173 are as follows:

Year Ending	General Obligation Bonds	Capital Lease	Capital Lease	Totals
2006	\$ 46,503	\$ 39,790	\$ 37,900	\$ 124,193
2007	45,176	39,790	37,900	122,866
2008	45,812		37,900	83,712
2009	44,409		37,900	82,309
2010	45,950		37,900	83,850
Thereafter	144,940		265,305	410,245
	372,790	79,580	454,805	907,175
Less amounts representing interest	51,790	4,431	114,952	171,173
	<u>\$ 321,000</u>	<u>\$ 75,149</u>	<u>\$ 339,853</u>	<u>\$ 736,002</u>

**NOTE 10 - LITIGATION AND CLAIMS**

As of December 31, 2005, the District was not involved in any outstanding litigations or claims.

**NOTE 11 INTERGOVERNMENTAL TRANSACTIONS**

The state Office of Emergency Preparedness reimburses the District for it's cost for health insurance, supplies, repairs, communication and utilities used by the Washington Parish Office of Emergency Preparedness. For the year ended December 31, 2005, the reimbursement to the District from the state Office of Emergency Preparedness was \$8,183.

**NOTE 12 FEDERAL EMERGENCY MANAGEMENT AGENCY**

Revenues from the Federal Emergency Management Agency of \$57,695 are included in these financial statements. Cash of \$1,667 related to Hurricane Ivan was received in 2005. Receivables at December 31, 2005 includes \$56,028 related to Hurricane Katrina. The District incurred \$31,148 actual expenditures, received \$1,632 of administrative allowance and \$23,248 for use of various equipment.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Notes to the Financial Statements**

**NOTE 13 RISK MANAGEMENT**

The district is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered, in part, by commercial insurance. Settlements have not exceeded insurance coverage in each of the past three years.

**NOTE 14 PRIOR PERIOD ADJUSTMENTS**

Adjustments were made to the government wide and the governmental funds financial statements as follows:

	<u>Government Wide</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
Net Assets/fund Balances, at December 31, 2004 as previously reported	\$ 1,265,173	\$ 472,044	\$ 105,039
Record 12/31/04 revenue sharing receivable	40,943	40,943	
Reverse 12/31/04 deferred revenue	17,223	14,565	2,658
Correct 12/31/04 due from/to other funds		(7,412)	7,412
Correct 12/31/04 accumulated depreciation	<u>(7,385)</u>	<u>          </u>	<u>          </u>
Prior Period Adjustment	<u>50,781</u>	<u>48,096</u>	<u>10,070</u>
Net Assets/Fund Balances, at December 31, 2004 after prior period adjustment	<u>\$ 1,315,954</u>	<u>\$ 520,140</u>	<u>\$ 115,109</u>

**REQUIRED SUPPLEMENTAL INFORMATION**

## Schedule 1

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual  
 General Fund  
 For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Ad valorem taxes	\$ 319,000	\$ 326,508	\$ 404,974	\$ 78,466
State revenue sharing	41,000	40,943	40,464	( 479)
Office of Emergency Preparedness		8,183	8,183	
Federal Emergency Management Agency		28,000	57,695	29,695
Insurance rebate	15,000	16,051	16,051	
Interest earned	500	5,200	5,099	( 101)
Other revenues		2,857	1,195	( 1,662)
Total revenues	<u>375,500</u>	<u>427,742</u>	<u>533,661</u>	<u>105,919</u>
<b>EXPENDITURES:</b>				
Salaries, taxes, retirement	130,700	170,992	155,753	15,239
Health, worker compensation insurance	30,663	34,829	34,794	35
Fuel, gas, and oil	7,000	7,380	7,375	5
Dues and subscription	900	1,042	1,322	( 280)
Travel	2,000	721	769	( 48)
Repairs and maintenance	24,000	14,700	14,389	311
Supplies	14,000	9,000	9,881	( 881)
Capital outlay	42,943	51,280	400,056	( 348,776)
Insurance	23,000	20,932	26,861	( 5,929)
Legal and accounting	10,000	6,125	6,000	125
Utilities	19,000	19,000	17,996	1,004
Office	5,000	4,724	4,805	( 81)
Communication	3,000	4,220	4,165	55
Election	10,000	6,597	6,597	
Training	5,000	1,276	1,228	48
Uniforms	1,500	1,500	1,500	-
Deductions for pensions			13,800	( 13,800)
Debt service:				
Principal retirement	93,790	76,790	72,469	4,321
Interest	1,092	1,092	5,413	( 4,321)
Other	3,299	3,808	3,607	201
Total expenditures	<u>426,887</u>	<u>436,008</u>	<u>788,780</u>	<u>( 352,772)</u>

See accompanying notes.

Schedule 1 (continued)

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**

**Ben's Ford, Louisiana**

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual

General Fund

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Excess of revenues over (under) expenditures</b>	( 51,387)	( 8,266)	( 255,119)	( 246,853)
<b>Other financing source(uses)</b>				
Capital lease obligation			339,853	339,853
<b>Net change in fund balance</b>	( 51,387)	( 8,266)	84,734	93,000
<b>Prior period adjustment</b>			48,096	48,096
<b>Fund balance, beginning of year as previously reported</b>	472,044	472,044	472,044	
<b>Fund balance, end of year</b>	<u>\$ 420,657</u>	<u>\$ 463,778</u>	<u>\$ 604,874</u>	<u>\$ 141,096</u>

See accompanying notes.

**OTHER SUPPLEMENTAL INFORMATION**

Schedule 2

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

Schedule of Board Members  
For the Year Ended December 31, 2005

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.

	<u>Term</u>
Tom Mitchell, President 17029 Ben's Ford Rd. Bogalusa, LA 70427	12/31/09
Sid Warner, Jr., Vice-President 17329 Carroll Rd. Bogalusa, LA 70427	12/31/08
Janice S. Bedwell, Board Member 14253 Wardline Rd. Bogalusa, LA 70427	12/31/08
Walter Boyd, Board Member 60017 Hwy. 60 Bogalusa, LA 70427	12/31/08
Eddie Keller, Board Member 1626 Jessie Mizell Rd. Bogalusa, LA 70427	12/31/09
Jabus Pittman, Board Member 17556 Hwy. 439 Bogalusa, LA 70427	12/31/05
Earl Reese, Board Member 209 Paul's Line Bogalusa, LA 70427	12/31/05
Clara Voth, Board Member 12520 S. Choctaw Rd. Bogalusa, LA 70427	12/31/05

# **JERRY L. HECK**

Certified Public Accountant

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Covington, LA 70434

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Fax: 985-892-4608

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

To the Board of Commissioners  
Washington Parish Fire Protection District No. 7  
Ben's Ford, Louisiana

I have audited the financial statements of the governmental activities and each major fund of the Washington Parish Fire Protection District No. 7, a component unit of the Washington Parish Government, as of and for the year ended December 31, 2005, which collectively comprise the district's basic financial statements and have issued my report thereon dated June 23, 2006. I conducted my 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.

### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Washington Parish Fire Protection District No. 7's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, I noted a certain matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Washington Parish Fire Protection District No. 7's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of current year audit findings as item 2005-1.

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 caused by error or fraud 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. My 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. However, the reportable condition described above and in item 2005-1 is considered to be a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Washington Parish Assessor's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Washington Parish Fire Protection District No. 7, the Washington Parish Government, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Jenny L Heck*

June 23, 2006

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Corrective Action Plan for Current Year Audit Findings**  
**For the Year Ended December 31, 2005**

**Section I- Internal Control and Compliance Material to the Financial Statements**

**Reference Number: 2005-1**

**Description of Findings:**

It was noted that there is a lack of segregation of duties regarding cash transactions.

The response of management is that the board will continue to monitor cash transactions. In addition, cash receipts are first received by the fire chief and turned over to the secretary/accountant for processing.

**Corrective Action Taken:** Partial

**Description of Partial Corrective Action Taken:**

Correction action taken will continue to be listed as "Partial" since there is a limited number of employees to assign responsibility for recording and processing cash transactions.

**Section II – Management Letter**

None

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7**  
**Ben's Ford, Louisiana**

**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2005**

**Section I- Internal Control and Compliance Material to the Financial Statements**

**Reference Number: 2004-1**

**Fiscal Year Finding Initially Occurred: 2001**

**Description of Findings:**

It was noted that there is a lack of segregation of duties regarding cash transactions.

The response of management is that the board will continue to monitor cash transactions. In addition, cash receipts are first received by the fire chief and turned over to the secretary/accountant for processing.

**Corrective Action Taken: Partial**

**Description of Partial Corrective Action Taken:**

Correction action taken will continue to be listed as "Partial" since there is a limited number of employees to assign responsibility for recording and processing cash transactions.