

FOREST FIRE DISTRICT**Forest, Louisiana**

**General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
December 31, 2004**

PREPARED BY:

JIMMIE L. SELF, CPA
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2908 Cameron Street, Suite C
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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 7-27-05

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Forest, Louisiana

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FOREST FIRE DISTRICT
FOREST, LA

GENERAL PURPOSE FINANCIAL STATEMENTS
WITH ACCOUNTANT'S COMPILATION REPORT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2004

TABLE OF CONTENTS

	<u>STATEMENT</u>	<u>PAGE</u>
Accountant's Compilation Report		1
<u>General Purpose Financial Statements:</u>		
Combined Balance Sheet – All Fund Types and Account Groups	A	3
Governmental Fund Type – General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance	B	4
Governmental Fund Type – General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual	C	5
<u>Notes to Financial Statements</u>		
Notes		7 - 12
	<u>SCHEDULE</u>	<u>PAGE</u>
<u>Supplemental Information Schedules</u>		
Schedule of Compensation Paid Commissioners	1	14
Findings		15
Louisiana Attestation Questionnaire		16 - 18

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ACCOUNTANT'S COMPILATION REPORT

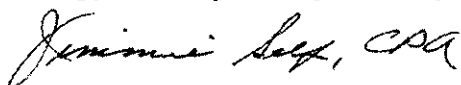
R. L. Frazier, Fire Chief
Forest Fire District
Forest, Louisiana

Dear Mr. Frazier,

I have compiled the accompanying general purpose financial statements as listed in the foregoing Table of Contents of the Forest Fire District, a component unit of the West Carroll Parish Police Jury as of and for the year ended December 31, 2004, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

The Forest Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2004. The effects of this departure from generally accepted accounting principles has not been determined.

A compilation is limited to presenting in the form of financial statements and supplemental information schedules information that is the representation of management. I have not audited or reviewed the accompanying general purpose financial statements or supplemental information schedules, and, accordingly, do not express an opinion or any other form of assurance on them.



JIMMIE SELF, CPA
Monroe, Louisiana
June 15, 2005

GENERAL PURPOSE FINANCIAL STATEMENTS

FOREST FIRE DISTRICT
Forest, LA
 All fund types and Account Groups
 Combined Balance Sheet
 December 31, 2004

STATEMENT A

	<u>Governmental Fund Type</u>	<u>Account Group</u>	<u>Total Memo Only</u>
	General Fund	General Fixed Assets	
<u>ASSETS AND OTHER DEBITS</u>			
Cash in Bank	\$ 17,376	\$ -	\$ 17,376
Investments	126,211	-	126,211
Fixed Assets	-	223,125	223,125
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS AND OTHER DEBITS	\$ 143,587	\$223,125	\$ 366,712
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE:</u>			
LIABILITIES			
	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	-	-	-
FUND EQUITY			
Investments in General Fixed Assets	-	223,125	223,125
FUND BALANCE			
Undesignated	143,587		143,587
	<hr/>		<hr/>
TOTAL FUND BALANCE	143,587	223,125	366,712
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ 143,587	\$223,125	\$ 366,712
	<hr/>	<hr/>	<hr/>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S COMPILATION REPORT

FOREST FIRE DISTRICT
Forest, LA

STATEMENT B

GOVERNMENTAL FUND TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DECEMBER 31, 2004

REVENUES

1/2 Cent Sales Tax	\$ 50,809
Miscellaneous	111
Total Revenues	<u>50,920</u>

EXPENDITURES

Current - Public Safety:	
Operating services	11,535
Material and Supplies	4,957
Utilities	2,766
Repair and Maintenance	22,177
Capital Outlay	<u>50,300</u>
Total Expenditures	<u>91,735</u>

EXCESS OF EXPENDITURES OVER REVENUES (40,815)

FUND BALANCE AT BEGINNING OF YEAR 184,402

FUND BALANCE AT END OF YEAR \$143,587

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S COMPILATION REPORT.

**FOREST FIRE DISTRICT
FOREST, LA**

STATEMENT C

**GOVERNMENTAL FUND TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL**

DECEMBER 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
1/2 Cent Sales Tax	\$ 46,000	\$ 50,809	\$ 4,809
Miscellaneous	-	111	111
Total Revenues	<u>\$ 46,000</u>	<u>\$ 50,920</u>	<u>\$ 4,920</u>
EXPENDITURES			
Current - Public Safety			
Operating Services	12,750	11,535	1,215
Material and Supplies	7,042	4,957	2,085
Utilities	4,500	2,766	1,734
Repairs and Maintenance	8,287	22,177	(13,890)
Capital Outlay	<u>54,000</u>	<u>50,300</u>	<u>3,700</u>
Total Expenditures	<u>86,579</u>	<u>91,735</u>	<u>(5,156)</u>
EXCESS OF EXPENDITURES OVER REVENUES	(40,579)	(40,815)	(81,394)
FUND BALANCE AT BEGINNING OF YEAR	<u>184,402</u>	<u>184,402</u>	-
FUND BALANCE AT END OF YEAR	<u>\$ 143,823</u>	<u>\$ 143,587</u>	<u>\$ (81,394)</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S COMPILATION REPORT.

**NOTES
TO THE
FINANCIAL STATEMENTS**

FOREST FIRE DISTRICT
Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2004

This legal entity was established to provide fire protection for the political subdivision of Ward 3 in the parish of West Carroll. The Fire Protection District serves the area in and around the Village of Forest, Louisiana. This entity operates independent of any other parish governing body, but functions under the guidelines set forth by the West Carroll Parish Police Jury. The District operates under the direction of a board of directors. All members of the board serve with no compensation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Forest Fire District have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish for reporting purposes, the West Carroll Police Jury is the financial entity for West Carroll Parish. The financial entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the West Carroll Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria includes:

- i. Appointing a voting majority of an organization's governing body, and
 1. The ability of the police jury to impose its will on that organization and/or
 2. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- ii. Organizations for which the police jury does not appoint a voting majority

FOREST FIRE DISTRICT
Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2004

- but are fiscally dependent on the police jury.
- iii. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Because the Forest Fire District is fiscally dependent on the police jury, the district was determined to be a component unit of the West Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results 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 accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed asset and long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with measurement of financial position, not with the measurements of results of operations.

The only fund for the district is the governmental fund. Governmental funds account for the district's general activities, including collection and disbursement of specific or legally restricted monies. The acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

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

D. BASIS OF ACCOUNTING

FOREST FIRE DISTRICT
Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2004

The accounting of financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements for these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues:

All revenues are recorded when received.

Expenditures:

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

E. BUDGET PRACTICES

The proposed budgets, prepared on the cash basis of accounting, were prepared and adopted by the board of commissioners in December, 2003. The budget is established and controlled by the board of commissioners at the object level of expenditure. Encumbrance accounting is not utilized in the district's records. Appropriations lapse at the year end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

F. CASH

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks under Louisiana law and national banks having principal offices in Louisiana.

The deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by

FOREST FIRE DISTRICT
Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2004

federal deposit insurance or the pledge securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

G. INVESTMENTS

Investments are limited by the Louisiana Revised Statute R.S. 33:2955 and the political subdivision's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. All investments are bank certificates of deposit and are stated at cost.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

I. COMPENSATED ABSENCES

The district has no paid employees therefore there is no policy relating to vacation and sick leave.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. The district had no capital leases or long-term obligations as of December 31, 2004.

K. FUND EQUITY

Reserves

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

FOREST FIRE DISTRICT
Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2004

Designated Fund Balances

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

L. SALES TAXES

In 1997 the West Carroll Parish Police Jury passed a ½% sales tax for fire protection in West Carroll Parish. This tax is divided among the fire protection districts for this purpose. This was a 10-year tax.

M. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not represent the financial position or result of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a compilation.

NOTE 2. CASH AND CASH EQUIVALENTS

The Forest Fire District maintains two checking accounts in the Regions Bank in Oak Grove, Louisiana. The district had a balance in its accounts on December 31, 2004 of \$16,861 and \$514. The accounts are insured by the FDIC in the amount of \$100,000.

NOTE 3. INVESTMENTS

The district has certificates of deposit in the West Carroll Community Bank and Regions Bank which are stated at cost on the enclosed statements. The certificates of deposit had a total balance of \$126,211. Both bank's accounts were insured by the FDIC in the amount of \$100,000.

FOREST FIRE DISTRICT
Forest, Louisiana

Notes to the Financial Statements
For the Year ended December 31, 2004

NOTE 4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance December 31,2003	Additions	Deletions	Balance December 31,2004
Land	0	0	0	0
Building	53,900	0	0	53,900
Equipment	118,925	50,300	0	169,225
Total	<u>172,825</u>	<u>50,300</u>	<u>0</u>	<u>223,125</u>

NOTE 5. LEASES

The district records items under capital leases as assets and obligations in the accompanying financial statements. The Forest Fire District had no capital leases at December 31, 2004.

NOTE 6. RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose as required by FASB 57.

NOTE 7. LITIGATION AND CLAIMS

The Forest Fire District is not a defendant in any litigation seeking damages.

NOTE 8. SUBSEQUENT EVENTS

There were no events that occurred after year end and the issuing of this report that would materially effect the financial statements as issued.

NOTE 9. BUDGET VARIANCES

The budget is critiqued in Statement C, Page 5 of this report. The expenditures for the year were understated by 6%. The statute calls for a 5% limit on budgeting variances. The variance is reported in the findings.

**SUPPLEMENTAL
INFORMATION SCHEDULES**

FOREST FIRE DISTRICT
Forest, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
For the year ended December 31, 2004

COMPENSATION PAID COMMISSIONERS

The names and addresses of the commissioners who serve on the board of the Forest Fire District are listed below. They all serve without any financial compensation. They are as follows:

Vendal Fairchild – President
4338 Hwy 582
Oak Grove, LA 71263
318/428-2643

Howard Ainsworth – Secretary
P. O. Box 98
Oak Grove, LA 71263
318/428-2451

R. L. Frazier – Fire Chief
4338 Hwy 582
Oak Grove, LA 71263
318/428-4883

Billy Calhoun
2266 Skinner Lane
Oak Grove, LA 71263
318/428-3325

Chad Ballard
P. O. Box 339
Forest, LA 71242
318/428-4864

Mike Berry
2023 Highway 582
Oak Grove, LA 71263
318/428-4546

**FOREST FIRE DISTRICT
Forest, Louisiana**

**FINDINGS
For the Year Ended December 31, 2004**

Finding Number 2004-01

The Forest Fire District prepared and used a budget for the year ended December 31, 2004. The actual expenditures exceeded the budgeted expenditures by 6%. (See Statement C Budget Versus Actual, Page 5.) The Louisiana budgeting statute places a 5% limit on the annual variances in the budget.

Recommendation: The District should more closely review the budgeted expenditures and revenues for the year as compared to the actual expenditures and revenues. Amendments should be made as required throughout the year to bring the budget into compliance with the statute.

Conclusion: Management has been apprised of the budgeting requirements as outlined by the statute.

LOUISIANA ATTESTATION QUESTIONNAIRE

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

FOREST FIRE DISTRICT
P. O. BOX 223
FOREST, LA 71242

June 15, 2005

Jimmie Self, CPA, APAC
2908 Cameron Street
Monroe, LA 71201

Dear Ms. Self,

In connection with your review of our financial statements as of **DECEMBER 31, 2004** and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of **DECEMBER 31, 2004**.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

N/A Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

N/A Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No

Accounting and Reporting

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

Yes No

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

Yes No

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

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

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

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Secretary _____ Date

Treasurer _____ Date

RL Fitzgerald _____
President 6.27.05 Date