

REPORT

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

Component Unit Financial Statements
As of and for the Year
Ended December 31, 2003
with Supplemental Information Schedules

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

Release Date 4.14.04

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

Component Unit Financial Statements
As of and for the Year Ended December 31, 2003
With Supplemental Information Schedule

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Management's Discussion and Analysis

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

Management's Discussion and Analysis

Introduction

WASHINGTON PARISH FIRE PROTECTION DISTRICT No. 4 is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standard Board Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis – For State and Local Governments (hereinafter referred to as GASB 34) and related standards.

Financial Highlights

- Total assets for the year were \$186,765 at December 31, 2003 and exceeded liabilities in the amount of \$131,022 (i.e., net assets). Of this total net assets, \$6,275 may be used to meet the government's ongoing obligation to citizens and creditors. The balance of the total assets are invested in capital assets net of related debt and restricted for debt. The amount consists of \$113,821 and \$10,926, respectively.
- Revenues consist of ad valorem tax and state revenue sharing. Revenues remained relatively constant. The total revenues for the fiscal year ending December 31, 2003 was \$50,924 representing an approximate 3.32% increase from total revenues for fiscal year December 31, 2002 of \$49,286.
- The District's operating expenditures for the governmental fund, consisting of those expenditures resulting from the District's ongoing operations, decrease by \$19,613 (40.40%) compared to the prior fiscal year, totaling \$28,935 for fiscal year ended December 31, 2003. The areas of the decreases were in capital outlay of \$12,887, repairs and maintenance of \$4,904 and supplies of \$3,324. In the government-wide statement of activities, the total expenses are \$38,938. The government-wide statement of activities recorded depreciation expenses of \$17,937 and The governmental fund recorded the capital outlay of \$7,934 and the transfer out of \$10,926 from General Fund for debt .
- Total long-term debt decreased from \$32,616 at December 31, 2002 to \$24,102 December 31, 2003. The decrease is due primarily to the payment of principal on outstanding bonds.

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

Management's Discussion and Analysis

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to basic financial statement. The District's basic financial statements are comprised of three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in additions to basic financial statements themselves.

Government-wide financial statements. The government –wide financial statements are designed to provide readers with a board overview of the District's finances, in a manner similar to private-sector business. These financial statements are reported using the using the full accrual accounting methods.

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 District that are governmental and those that are considered business type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resource that has been segregated for specific activities or objective. The district segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Modified accrual basis of accounting is used by the governmental funds.

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

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

Management's Discussion and Analysis

Financial Analysis

Since this is the first year that the Fire District No. 4 is reporting under the GASB 34 which required government-wide, we are presented a financial analysis base on the prior year and current year governmental funds. The purpose of financial analysis is to help to determine whether the Fire District No. 4 is better off as a result of the current year's activities. In this analysis, data from two of the basis financial statement Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance.

Condensed Balance Sheet

	December 31, 2002	December 31, 2003	Dollar Change	Percent Change
Total Assets	<u>\$ 36,479</u>	<u>\$ 48,841</u>	<u>\$ 12,362</u>	33.89%
Total Liabilities	<u>\$ 30,342</u>	<u>\$ 31,641</u>	<u>\$ (1,299)</u>	-4.28%
Fund Balance- Unreserved	(4,789.00)	6,274	11,063	176.33%
Fund Balance- Reserved	<u>10,926.00</u>	<u>10,926</u>	-	
Total Fund Balances	<u>6,137.00</u>	<u>17,200</u>	<u>11,063</u>	180.27%
Total Liabilities and Fund Balances	<u>\$ 36,479</u>	<u>\$ 48,841</u>	<u>12,362</u>	33.89%

The liabilities are the deferred revenues which are the contra amount to the receivables.

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

Management's Discussion and Analysis

Condensed Statement Of Revenues, Expenditures, and Changes in Fund Balance

	December 31, 2002	December 31, 2003	Dollar Change	Percent Change
Total Revenues	\$ 49,286	\$ 50,924	\$ 1,638	3.32%
Expenditures:				
Operating Expenditures	27,727	21,001	(6,726)	-24.26%
Capital Outlay	20,821	7,934	(12,887)	-61.89%
Total Expenditures	<u>48,548</u>	<u>28,935</u>	<u>(19,613)</u>	-40.40%
Excess Revenue Over Expenditures	738	21,989	21,251	2879.54%
Fund Transfers	<u>(10,926)</u>	<u>(10,926)</u>	-	0.00%
Exces of Revenues and Fund Tranfers	(10,188)	11,063	21,251	-208.59%
Fund Balance, January	<u>16,325</u>	<u>6,137</u>	<u>(10,188)</u>	-62.41%
Fund Balance , December	<u><u>6,137</u></u>	<u><u>17,200</u></u>	<u><u>11,063</u></u>	180.27%

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

Management's Discussion and Analysis

Budgetary Highlight

The district does not have a formal policy on adopting a budget. The budget for year ending December 31, 2003, was adopted at the district's December 3, 2002, regular meeting. The budget was amended at the district's regular meeting December 1, 2003. All appropriations lapse at year-end.

Budget vs. Actual – Fiscal Year End December 32, 2003

	Budget	Amended Budget	Actual	Variance
REVENUES:				
Ad valorem taxes	\$ 28,400	\$ 29,128	\$ 29,071	\$ (57)
State revenue sharing	12,500	21,396	21,397	1
Other revenues:				
Interest earned	150	87	146	59
Other	300	300	310	10
Total Revenues	<u>41,350</u>	<u>50,911</u>	<u>50,924</u>	<u>13</u>
EXPENDITURES:				
Insurance	7,500	9,582	8,079	1,503
Accounting	-	850	850	-
Dues and subscriptions	365	368	368	-
Repairs and maintenance	5,000	3,300	3,207	93
Capital Outlay	10,000	7,934	7,934	-
Utilities	1,500	1,560	1,585	(25)
Supplies	2,700	3,551	4,052	(501)
Fuel, gas, and oil	1,700	1,207	1,360	(153)
Other	1,500	1,450	1,500	(50)
Total expenditures	<u>30,265</u>	<u>29,802</u>	<u>28,935</u>	<u>867</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	11,085	21,109	21,989	880
Fund transfers	(10,926)	(10,926)	(10,926)	-
FUND BALANCE, JANUARY 1, 2003	<u>6,137</u>	<u>6,137</u>	<u>6,137</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2003	<u>\$ 6,296</u>	<u>\$ 16,320</u>	<u>\$ 17,200</u>	<u>\$ 880</u>

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

Management's Discussion and Analysis

Capital Assets

At the end of the fiscal year December 31, 2003, the Fire District No. 4 had \$137,924 (net of accumulated depreciation) recorded in capital assets. Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statement. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful life:

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

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1989 have been valued using estimated historical cost.

Capital asset activity for the year ended December 31, 2003

	<u>January 1, 2002</u>	<u>December 31, 2003</u>	Dollar Change	<u>December 31, 2003</u>
Fire trucks	\$ 138,200	\$ 138,200	\$ -	0.00%
Fire house	40,809	48,743	7,934	19.44%
Equipment	94,623	94,623	-	0.00%
subtotal	273,632	281,566	7,934	2.90%
Less Accumulated				
Depreciation	(125,704)	(143,642)	(17,938)	14.27%
Net Capital Assets	<u>147,928</u>	<u>137,924</u>	<u>(10,004)</u>	-6.76%

Purchases of capital assets from December 31, 2002 to December 31, 2003 were minimal, with only an increase of \$7,934 for addition to Pine fire station.

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

Management's Discussion and Analysis

Long-Term Debt Activity

Long-term obligations are reported in the government-wide financial statement. In previous years under governmental funds, the Fire District reported long-term debt in the debt service fund.

A schedule of changes in the long-term obligation for the Fire District # 4 during 2003, follow:

<u>January 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2003</u>	<u>Due in One Year</u>
<u>\$ 32,616</u>	<u>\$</u>	<u>\$ 8,514</u>	<u>\$ 24,102</u>	<u>\$ 10,926</u>

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

Management's Discussion and Analysis

Long-Term Debt Activity

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<u>\$ 32,616</u>	<u>\$</u>	<u>\$ 8,514</u>	<u>\$ 24,102</u>	<u>\$ 10,926</u>

Russell B. Smith
Officer

TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS


DECEMBER 31, 2003

Office of the Legislative Auditor
1600 North Third
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Sir:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Washington Parish Fire Protection District # 4 as of and for the fiscal year ended December 31, 2003. The report includes all funds under the control and oversight of the district. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely



Officer

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 4
PINE, LOUISIANA

ANNUAL SWORN FINANCIAL STATEMENTS
AND CERTIFICATION OF REVENUES \$50,000 OR LESS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2002
WITH APPROPRIATE SUPPLEMENTAL INFORMATION

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues \$50,000 or less, is required by Louisiana Revised Statute 24:513(I)(1)(c)(i).

AFFIDAVIT

Personally came and appeared before the undersigned authority, Walt Seal, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Washington Parish Fire Protection District #4 as of December 31, 2002, and the results of the operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Walt Seal, who, duly sworn, deposes and says that the Washington Parish Fire Protection District #4 received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 2003, and accordingly, is not required to have an audit for the previously mentioned fiscal year end.

Russell B. Smith

Signature

Sworn to and subscribed before me, this 30th day of March, 2004.

Louis C. Barber

NOTARY PUBLIC

Officer President

Address 27505 Nobles Cem. Rd

Telephone (985)-848-5684

WILLIAM R. DURDEN

Certified Public Accountant

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(985)839-4413
FAX (985)839-4402

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

Board of Commissioners
Washington Parish Fire
Protection District # 4
Pine, Louisiana

I have compiled the accompanying financial statements and supplemental information of the Washington Parish Fire Protection District # 4, a component unit of the Washington Parish Government, as of and for the year ended December 31, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

The management's discussion and analysis and budgetary comparison information, on pages 1 through 8 and 17 through 18 are not required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

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



William R. Durden
Certified Public Accountant

Franklinton, Louisiana
March 19, 2004

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT

Pine, Louisiana

Statement of Net Assets

December 31, 2003

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 15,309
Receivables	31,641
Prepaid expenses	1,891
Capital assets	
Fire trucks	138,200
Fire stations	48,743
Equipment	94,623
Less accumulated depreciation	(143,642)
Capital assets , net	<u>137,924</u>
Total Assets	<u>186,765</u>
 LIABILITIES:	
Deferred Revenue	31,641
Long-term debt due in one year	9,119
Long-term debt due more than one year	14,983
Total Liabilities	<u>55,743</u>
 Net Assets	
Invested in capital assets, net of related debt	113,821
Restricted for Debt	10,926
Unrestricted	6,275
Total Net Assets	<u>\$ 131,022</u>

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

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
 WASHINGTON PARISH GOVERNMENT
 Pine, Louisiana
 STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2003

EXPENSES:

Insurance	8,079
Accounting and legal	850
Dues and subscriptions	368
Repairs and maintenance	3,207
Depreciation expense	17,937
Interest expense	2,412
Utilities	1,585
Supplies	4,052
Fuel, gas, and oil	1,360
Other	1,500
Total Program Expenses	<u>41,350</u>

PROGRAM REVENUES:

Ad valorem taxes	\$ 29,071
State revenue sharing	21,397
Other revenues:	
Interest earned	146
Other	310
Net Program Revenues	<u>50,924</u>
Change in Net Assets	9,574
Beginning Net Assets, JANUARY 1, 2003	<u>121,448</u>
Ending Net Assets, DECEMBER 31, 2003	<u>\$ 131,022</u>

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

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
 WASHINGTON PARISH GOVERNMENT
 Pine, Louisiana
 Balance Sheet
 Governmental Funds
 December 31, 2003

	<u>General Fund</u>
ASSETS AND OTHER DEBITS	
ASSETS:	
Cash and cash equivalents	\$ 15,309
Receivables	31,641
Prepaid expenses	1,891
TOTAL ASSETS	<u>\$ 48,841</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Deferred Revenue	\$ 31,641
Total Liabilities	<u>31,641</u>
FUND BALANCE	
Fund balance - unreserved	6,274
Fund balance - reserved	10,926
Total Fund Balances	<u>17,200</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 48,841</u>
Reconciliation:	
Total governmental funds balances	\$ 17,200
Capital assets	113,822
Net assets of governmental activities	<u>\$ 131,022</u>

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

STATEMENT D

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
 WASHINGTON PARISH GOVERNMENT
 Pine, Louisiana
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2003

	General
REVENUES:	
Ad valorem taxes	\$ 29,071
State revenue sharing	21,397
Other revenues:	
Interest earned	146
Other	310
Total Revenues	50,924
EXPENDITURES:	
Insurance	8,079
Accounting and legal	850
Dues and subscriptions	368
Repairs and maintenance	3,207
Capital outlay	7,934
Utilities	1,585
Supplies	4,052
Fuel, gas, and oil	1,360
Other	1,500
Total expenditures	28,935
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	21,989
Fund transfers	(10,926)
EXCESS OF REVENUES AND FUND TRANSFERS	11,063
FUND BALANCE, JANUARY 1, 2003	6,137
FUND BALANCE, DECEMBER 31, 2003	\$ 17,200
Change in fund balance	\$ 11,063
Capital assets purchased	7,934
Transfer out	8,514
Current year depreciation expense	(17,937)
Change in net assets	\$ 9,574

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

NOTES TO FINANCIAL STATEMENTS

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

Notes to the Financial Statements
For the Year Ended December 31, 2003

NOTE 1- DESCRIPTION OF COMPONENT UNIT AND REPORTING ENTITY

The Fire Protection District Number Four of Washington Parish was created under the Louisiana Revised Statute 40:1496.12E,. The district shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The district shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tank, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the parish governing body of the district for the protection of the property within the limits of the district against fire.

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

The district encompasses approximately 100 square miles in a portion of Wards 5, 7, and 8 of Washington Parish. It serves approximately 3,500 people and several small businesses living and operating in this district. It operates three fire houses in Pine, Thomas, and Stateline, Louisiana, with a volunteer staff of fire fighters.

REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Washington Parish Government is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government, parish council, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Washington Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

Notes to the Financial Statements
For the Year Ended December 31, 2003

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council.

Organizations for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.

2. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.
3. Organizations for which the reporting entity financial statements would be misleading if data of this organization is not included because of the nature or significance of the relationship.

Because the parish council appoints a voting majority of the district's governing board and the parish council has the ability to impose its will on the district, the district was determined to be a component unit of the Washington Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Note-2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Washington Parish Fire Protection District # 4 have been prepared in conformity with generally accepted accounting principles of the United State of America (GAAP) as applied to government units. This is the first year that the accompanying financial statements have been prepared in conformity with GASB-34. Under GASB-34, a statement of net assets and statement of activities are prepared which are presented on accrual basis of accounting. The significant differences are capital outlay is reported as an assets and depreciated in the government-wide statement. Also long term obligations are recorded as a liabilities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2003

A. BASIS OF PRESENTATION

Government-Wide Statements

The statement of net assets and the statement of activities display information about the Fire District # 4 as a whole. These statements distinguish between those activities of Fire District # 4 that are governmental and those that are considered business type activities.

Fund Financial Statements

During the year, the Fire District # 4 segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

B. FUND ACCOUNTING

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

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

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

D. BASIS OF ACCOUNTING

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

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

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

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2003

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

The modified accrual basis of accounting is used by the governmental funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Effective for financial statements issued after June 30, 2000, GASB Statement 33, Accounting and Financial reporting for Nonexchange Transactions, defines a nonexchange transaction as a transaction whereby the government gives or receives value without directly receiving or giving equal value in return. Property taxes are imposed nonexchange revenues which result from assessments imposed on nongovernmental entities including individuals. Assets should be recognized when the government has an enforceable lien or legal claim to the resources, or the resources are received, whichever occurs first. Revenues are recognized in the period when use of the resources is required or first permitted by time requirements, for example for property taxes, the period for which (budget period) they are levied, or at the same time the assets are recognized, if no time requirements have been established. Resources received or recognized as receivable before the time requirements are met should be recognized as deferred revenue. However, for revenue to be recognized under the modified accrual basis, the measurable and available criteria must also be met. Governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized in the accounting period they become available and measurable. Donations, fund raising net revenues and state revenue sharing is recorded when received. Ad valorem taxes become a lien against the assessed property on assessment date or levy date, therefore, a receivable is recorded at this time, however the actual amount paid to the governmental unit may not be collected until a later budget period, thus the revenue is recorded as deferred revenue and earned as collected.

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

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2003

Expenditures

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

E. BUDGETS

The district does not have a formal policy on adopting a budget. The budget for year ending December 31, 2003, was adopted at the district's December 3, 2002, regular meeting. The budget was amended at the district's regular meeting December 1, 2003. All appropriations lapse at year-end.

F. ENCUMBRANCES

The district does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. PREPAID ITEMS

The district uses the allocation method of recording prepaid expenses.

I. CAPITAL ASSETS

Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statement. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful life:

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

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

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2003

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1989 have been valued using estimated historical cost.

J. COMPENSATED ABSENCES

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

K. LONG-TERM OBLIGATIONS

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

L. FUND BALANCE RESERVE

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

Designated Fund Balances

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

2. LEVIED TAXES

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

Net ad valorem tax (9.75 mill assessment)	<u>\$ 31,014.</u>
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WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2003

3. CASH AND CASH EQUIVALENTS

At December 31, 2003, the district has cash and cash equivalents totaling \$15,309 as follows:

Non-interest bearing demand deposits	\$ 1,551.
Interest bearing demand deposits	<u>13,758.</u>
Total cash and cash equivalents	<u>\$ 15,309.</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, 2003, the district had \$14,874. in deposits (collected bank balances). These deposits were secured from risk by \$100,000. of the federal deposit insurance.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2003:

<u>Class of receivable</u>	<u>General Fund</u>
Ad valorem taxes	\$ 31,014.
Prior year taxes receivable	<u>628.</u>
Total receivables	<u>\$ 31,641.</u>

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

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2003

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2003
Fire trucks	\$ 138,200	\$ -	\$ -	\$ 138,200
Fire house	40,809	7,934	-	48,743
Equipment	94,623	-	-	94,623
TOTAL	273,632	7,934	\$	281,566
Less Accumulated Depreciation				<u>143,642</u>
Governmental Capital Assets, net				<u>137,924</u>

6. LONG-TERM DEBT

A schedule of changes in the long-term obligation for the Fire District # 4 during 2003, follow:

January 1, 2002	Additions	Deductions	December 31, 2003	Due in One Year
\$ 32,616	\$	\$ 8,514	\$ 24,102	\$ 10,926

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

Notes to the Financial Statements (Continued)
 For the Year Ended December 31, 2003

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

Principal and interest requirements to retire the fire trucks loan at December 31,2004 as follows:

Year	Principle	Interest	Total
2004	\$ 9,119	\$ 1,808	\$ 10,927
2005	9,803	1,124	10,927
2006	<u>5,180</u>	<u>389</u>	<u>5,569</u>
	<u>\$ 24,102</u>	<u>\$ 3,321</u>	<u>\$ 27,423</u>

FUND BALANCE - RESERVED

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

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2003

	<u>Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Ad valorem taxes	\$ 28,400	\$ 29,128	\$ 29,071	\$ (57)
State revenue sharing	12,500	21,396	21,397	1
Other revenues:				
Interest earned	150	87	146	59
Other	300	300	310	10
Total Revenues	<u>41,350</u>	<u>50,911</u>	<u>50,924</u>	<u>13</u>
EXPENDITURES:				
Insurance	7,500	9,582	8,079	1,503
Accounting	-	850	850	-
Dues and subscriptions	365	368	368	-
Repairs and maintenance	5,000	3,300	3,207	93
Capital Outlay	10,000	7,934	7,934	-
Utilities	1,500	1,560	1,585	(25)
Supplies	2,700	3,551	4,052	(501)
Fuel, gas, and oil	1,700	1,207	1,360	(153)
Other	1,500	1,450	1,500	(50)
Total expenditures	<u>30,265</u>	<u>29,802</u>	<u>28,935</u>	<u>867</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,085	21,109	21,989	880
Fund transfers	<u>(10,926)</u>	<u>(10,926)</u>	<u>(10,926)</u>	<u>-</u>
EXCESS OF REVENUES AND FUND TRANSFERS	159	10,183	11,063	880
FUND BALANCE, JANUARY 1, 2003	<u>6,137</u>	<u>6,137</u>	<u>6,137</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2003	<u>\$ 6,296</u>	<u>\$ 16,320</u>	<u>\$ 17,200</u>	<u>\$ 880</u>

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

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

SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2003

COMPENSATION PAID BOARD MEMBERS

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

See accountant's compilation and notes to the financial statements.