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REPORT

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
WASHINGTON PARISH GOVERNMENT
Franklin, 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. Copies of this report have been submitted to the entity and other appropriate public officials. The reports are 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

WILLIAM R. DURDEN
Legislative Auditor

800 11TH AVENUE
FRANKLIN, LOUISIANA 70408

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Franklin, 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 #3
WASHINGTON PARISH GOVERNMENT
Franklin, Louisiana

Management's Discussion and Analysis

Introduction

WASHINGTON PARISH FIRE PROTECTION DISTRICT No. 3 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 \$204,702 at December 31, 2003 and exceeded liabilities in the amount of \$141,653 (i.e., net assets). The balance of the total assets are invested in capital assets net of related debt and restricted for assets. The capital assets net of related debt is \$130,800. The restricted assets consist of \$14,102 for debt and \$2,880 for protest fee which incur a negative balance in unrestricted of \$(8,701).
- Revenues consist of ad valorem tax and state revenue sharing. The total revenues for the fiscal year ending December 31, 2003 was \$40,734 representing an approximate decrease of 3.86% from total revenues for fiscal year December 31, 2002 of \$42,383. This decrease was due because of protest tax.
- The District's spending expenditures for the governmental fund, consisting of those expenditures resulting from the District's ongoing operations, decrease by \$28,021 (43.88%) compared to the prior fiscal year, totaling \$28,189 for fiscal year ended December 31, 2003. The areas of the decreases were in capital outlay of \$31,800, but spending expenses increase by \$2,548. In the government-wide statement of activities, the total expenses are \$41,239. The government-wide statement of activities recorded depreciation expenses of \$12,154 and interest on of \$2,210. The governmental fund recorded the capital outlay of \$8,309 and the transfer out of \$11,880 from General Fund for debt.
- Total long-term debt decreased from \$23,000 at December 31, 2002 to \$14,122 December 31, 2003. The decrease is due primarily to the payment of principal on outstanding bonds.

WASHINGTON PARISH FIRE PROTECTION DISTRICT (B)
WASHINGTON PARISH GOVERNMENT
Franklin, 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 addition to 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 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 net 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 #3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

Management's Discussion and Analysis

Financial Analysis

Since this is the first year that the Fire District No. 3 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 basic financial statements Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance.

Condensed Balance Sheet

	December 31, 2002	December 31, 2003	Dollar Change	Percent Change
Total Assets	<u>\$ 58,258</u>	<u>\$ 58,987</u>	<u>\$ (727)</u>	-1.25%
Total Liabilities	<u>\$ 41,076</u>	<u>\$ 43,761</u>	<u>\$ 2,685</u>	6.54%
Fund Balance- Unreserved	8,091	15,751	(7,660)	-94.67%
Fund Balance- Reserved	<u>11,008</u>	<u>19,927</u>	<u>8,919</u>	80.11%
Total Fund Balance	<u>19,099</u>	<u>35,678</u>	<u>16,579</u>	86.81%
Total Liabilities and Fund Balances	<u>\$ 60,258</u>	<u>\$ 66,857</u>	<u>\$ (6,599)</u>	-10.95%

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

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
WASHINGTON PARISH GOVERNMENT
Franklin, 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	\$ 42,963	\$ 40,794	\$ (1,818)	-3.99%
Expenditures:				
Operating Expenditures	23,328	26,874	3,548	15.21%
Capital Outlay	60,864	6,328	(21,838)	-77.34%
Total Expenditures	<u>84,292</u>	<u>38,198</u>	<u>(26,891)</u>	<u>-43.65%</u>
Excess Revenue-Over				
Expenditures	(21,987)	4,926	(17,372)	79.00%
Fund Transfers	(7,129)	(11,968)	(3,982)	55.60%
Debt Proceed	<u>36,080</u>	<u> </u>	<u>36,080</u>	<u>100.00%</u>
Change of Revenues and Fund Transfers	5,067	(8,084)	(13,688)	226.03%
Fund Balance, January	<u>11,712</u>	<u>17,779</u>	<u>6,067</u>	<u>51.80%</u>
Fund Balance, December	<u>17,679</u>	<u>11,226</u>	<u>(6,453)</u>	<u>-36.50%</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
 Franklinton, 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 November 12, 2002, regular meeting. The budget was not amended. All appropriations lapse at year-end.

Budget vs. Actual - Fiscal Year End December 31, 2003

REVENUES:			
Ad valorem taxes	\$ 33,000	\$ 34,374	\$ 1,374
State revenue sharing	5,500	6,958	660
Other revenue	200	(280)	(280)
Total Revenues	<u>38,700</u>	<u>40,734</u>	<u>2,034</u>
EXPENDITURES:			
Insurance	8,080	7,657	343
Accounting	1,280	970	228
Repairs and maintenance	5,030	6,987	(3,867)
Capital Outlay	13,690	9,326	2,678
Utilities	1,290	1,536	(306)
Supplies	-	4,492	(4,492)
Fuel, gas, and oil	3,900	2,941	(471)
Other	1,114	1,236	(122)
Total expenditures	<u>38,814</u>	<u>38,199</u>	<u>(5,555)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,886</u>	<u>4,535</u>	<u>(3,481)</u>
Fund transfers	<u>(11,168)</u>	<u>(11,958)</u>	<u>95</u>
EXCESS OF REVENUES AND FUND TRANSFERS	<u>(3,282)</u>	<u>(6,923)</u>	<u>(3,366)</u>
FUND BALANCE, JANUARY 1, 2003	<u> </u>	<u>17,779</u>	<u> </u>
FUND BALANCE, DECEMBER 31, 2003	<u> </u>	<u>\$ 11,226</u>	<u> </u>

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

Management's Discussion and Analysis

Capital Assets

At the end of the fiscal year (December 31, 2003), the Fire District No. 3 had \$144,775 (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 personal 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

	January 1, 2002	December 31, 2003	Dollar Change	December 31, 2003
Fire trucks	\$ 114,791	\$ 115,141	\$ 350	0.30%
Fire house	42,485	42,881	395	0.93%
Equipment	71,875	80,455	8,580	11.94%
subtotal	229,151	238,477	9,325	4.07%
Less Accumulated				
Depreciation	(91,644)	(93,702)	(12,154)	14.00%
Net Capital Assets	147,504	144,775	(2,829)	-1.92%

Purchases of capital assets from December 31, 2002 to December 31, 2003 were minimal, with only an increase of \$9,325.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
WASHINGTON PARISH GOVERNMENT
Franklinton, 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 # 3 during 2003, follows:

<u>January 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2003</u>	<u>Due in One Year</u>
<u>\$ 23,000</u>	<u>\$</u>	<u>\$ 8,878</u>	<u>\$ 14,122</u>	<u>\$ 10,112</u>



Officer

TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2003

Office of the Legislative Auditor
1600 North Third
P. O. Box 94387
Baton Rouge, LA 70804-9387

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,



Auditor

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 3
Franklin, 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 24:214 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 24:11 B(1)(C)(b).

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 #3 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, 2002, and accordingly, is not required to have an audit for the previously mentioned fiscal year and:

Walt Seal
Signature

Sworn to and subscribed before me, this 9th day of November, 2004.

Louis A. Barber
NOTARY PUBLIC

Walt Seal
Address 23261 Whiteoak Creek Rd
Telephone 985-838-4757

WILLIAM R. DURDEN

Certified Public Accountant

800 LITH AVENUE
FRANKLINTON, LOUISIANA 70401
9092809-4413
FAX 9092803-4402

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

Board of Commissioners
Washington Parish Fire
Protection District # 3
Pine, Louisiana

I have compiled the accompanying financial statements and supplemental information of the Washington Parish Fire Protection District # 3, 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 6 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 18, 2004

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
 WASHINGTON PARISH GOVERNMENT
 Franklin, Louisiana
 Statement of Net Assets
 December 31, 2003

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 4,857
Cash restricted	2,856
Receivables	42,808
Prepaid expenses	6,268
Capital assets	
Fire trucks	115,142
Fire stations	42,661
Equipment	80,484
Less accumulated depreciation	<u>(93,792)</u>
Capital assets, net	<u>144,775</u>
Total Assets	<u>201,762</u>
LIABILITIES:	
Deferred Revenue	45,701
Long-term debt due in one year	18,912
Long-term debt due more than one year	3,811
Total Liabilities	<u>68,424</u>
Net Assets	
Invested in capital assets, net of related debt	130,653
Restricted for Debt	14,122
Restricted for Proport Tax	2,665
Unrestricted	<u>(5,758)</u>
Total Net Assets	<u>\$ 141,679</u>

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

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
 WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
 STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2003

EXPENSES:	
Insurance	\$ 7,657
Accounting and legal	876
Repairs and maintenance	8,867
Depreciation expense	12,704
Interest expense	2,219
Utilities	1,536
Supplies	4,462
Fuel, gas, and oil	2,041
Other	1,238
Total Program Expenses	<u>41,239</u>
PROGRAM REVENUES:	
Ad valorem taxes	24,374
State revenue sharing	8,360
Net Program Revenues	<u>32,734</u>
Change in Net Assets	(805)
Beginning Net Assets, JANUARY 1, 2003	<u>142,384</u>
Ending Net Assets, DECEMBER 31, 2003	<u>\$ 141,579</u>

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

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
 WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
 Balance Sheet
 Governmental Funds
 December 31, 2003

	<u>General Fund</u>
ASSETS AND OTHER DEBITS	
ASSETS:	
Cash and cash equivalents	\$ 4,687
Cash restricted	2,886
Receivables	42,900
Prepaid expenses	6,289
TOTAL ASSETS	<u>\$ 56,762</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Deferred Revenue	\$ 48,761
Total Liabilities	<u>48,761</u>
FUND BALANCE	
Fund balance - unreserved	(8,787)
Fund balance - reserved for debt	14,122
Fund balance - reserved for profit tax	2,886
Total Fund Balances	<u>11,221</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 59,982</u>
Reconciliation:	
Total governmental funds balances	\$ 11,221
Capital assets	130,653
Net assets of governmental activities	<u>\$ 141,874</u>

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

STATEMENT D

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
 WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2003

	<u>General</u>
REVENUES:	
Ad valorem taxes	\$ 34,374
State revenue sharing	6,368
Total Revenues	<u>40,742</u>
EXPENDITURES:	
Insurance	3,657
Accounting and legal	675
Repairs and maintenance	8,987
Capital outlay	8,305
Utilities	1,028
Supplies	4,482
Fuel, gas, and oil	2,041
Other	1,278
Total expenditures	<u>25,758</u>
EXCESS (DEFICIENCY) OF REVENUES OVER FUNDS EXPENDITURES	14,984
Fund transfer	<u>(11,000)</u>
EXCESS OF REVENUES AND FUND TRANSFERS	(6,016)
FUND BALANCE, JANUARY 1, 2003	<u>17,773</u>
FUND BALANCE, DECEMBER 31, 2003	<u>\$ 11,757</u>
Changes in fund balance:	
Capital assets purchased	\$ (8,305)
Transfer out	11,088
Interest expense	(2,211)
Current year depreciation expense	(12,154)
Change in net assets	<u>\$ (9,582)</u>

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

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
WASHINGTON PARISH GOVERNMENT
Franklin, 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 Three of Washington Parish was created under the Louisiana Revised Statute 40:1406.12L. 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 systems, 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 60 square miles in a portion of Wards 8 and 3 of Washington Parish, and serves approximately 2,800 people and several small businesses living and operating within the boundaries of the district. The District operates four fire stations which are located as follows: one in Warrimon, Louisiana, a second on LA Highway 38 in the Hayes Creek Community, a third on LA Highway 430 in Hazleby, Louisiana and the fourth in Clifton just off Hwy 25, with a totally volunteer staff of firefighters.

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 four criteria to be considered in determining financial accountability. This criteria includes:

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
WASHINGTON PARISH GOVERNMENT
Franklinton, 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 the organization is not included because of the nature or significance of the relationship.

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

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Washington Parish Fire Protection District # 3 have been prepared in conformity with generally accepted accounting principles of the United States 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 asset 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 #3
WASHINGTON PARISH GOVERNMENT
Franklin, 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 # 3 as a whole. These statements distinguish between those activities of Fire District # 3 that are governmental and those that are considered business type activities.

Fund Financial Statements

During the year, the Fire District # 3 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.

C. 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 those activities are included in the statement of net assets.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
WASHINGTON PARISH GOVERNMENT
Franklin, 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, 2003, 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 #3
WASHINGTON PARISH GOVERNMENT
Franklin, 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 November 12, 2002, regular meeting. The budget was not amended. 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 Trucks	3-20 year
Equipment	3-10 year

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
WASHINGTON PARISH GOVERNMENT
Franklin, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2000

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Depreciated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1980 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 appropriate 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 November 20, 1999, the voters of Washington Parish passed a proposition approving the levy of a 10 year, 17 mill property tax for acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment for the District and paying the cost of obtaining water for fire protection purposes. This tax is for a period of 10 years, beginning with the year 2000 and ending with the year 2009.

2000 Assessed property value	5,079,210
Homestead Exemption	<u>2,987,800</u>
Taxable value	<u>2,091,410</u>
17 Mill assessment	\$ 35,574
Less: Pension deduction	<u>1,421</u>
Net assessment	<u>\$ 34,153</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT #0
WASHINGTON PARISH GOVERNMENT
Foskinton, 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 \$ 7,812 as follows:

Non-interest bearing demand deposits	\$ 4,957
Restricted cash for project fee	<u>2,855</u>
Total cash and cash equivalents	<u>\$ 7,812</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 \$7,852 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:

Class of receivable	General Fund
All voters taxes	\$ 38,956
Prior year taxes receivable	<u>4,950</u>
Total receivables	<u>\$ 42,906</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
 WASHINGTON PARISH GOVERNMENT
 Franklinton, 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, 2003	Additions	Deductions	Balance December 31, 2003
Fire trucks	\$ 114,791	\$ 350	\$ -	\$ 115,141
Fire house	42,498	399	-	42,897
Equipment	71,875	8,580	-	80,455
TOTAL	<u>229,164</u>	<u>9,329</u>	<u>\$ -</u>	<u>238,493</u>
Less Accumulated Depreciation				<u>91,762</u>
Governmental Capital Assets, net				<u>146,731</u>

6. LONG-TERM DEBT

A schedule of changes in the long-term obligation for the Fire District # 3 during 2003, follows:

Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003	Amount Due in One Year
\$ 23,000	\$ -	\$ 8,878	\$ 14,122	\$ 10,312

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
WASHINGTON PARISH GOVERNMENT
Franklin, Louisiana**

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

On April 3, 1997, the District issued a \$40,000 certificate of indebtedness to Hancock Bank of Louisiana in Franklinton, Louisiana, at an interest rate of six and ninety-five hundredths per centum (6.95%) per annum. The principal shall mature in annual installments on March 1 of each of the years as follows:

On June 3, 2002, the District issued a \$10,000 certificate of indebtedness to Government Capital Corporation in Brookhaven, Mississippi, at an interest rate of fifteen and seventy-nine thousandths per centum (15.079%) per annum. The principal shall mature in annual installments on May 1 of each year as follows:

2004	\$ 7,000	\$ 243	\$ 7,243
2004	3,312	1,074	4,386
2005	3,811	976	4,787
	<u>\$ 14,123</u>	<u>\$ 1,893</u>	<u>\$ 16,016</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 #0
WASHINGTON PARISH GOVERNMENT
 Franklin, Louisiana
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Ad valorem taxes	\$ 33,800	\$ 34,374	\$ 1,374
State revenue sharing	5,500	6,300	800
Other revenue	200		(200)
Total Revenues	<u>39,500</u>	<u>40,674</u>	<u>2,034</u>
EXPENDITURES:			
Insurance	8,000	7,687	313
Accounting	1,200	975	225
Repairs and maintenance	9,000	8,987	(13)
Capital Outlay	10,000	9,209	791
Utilities	1,200	1,500	(300)
Supplies		4,452	(4,452)
Fuel, gas, and oil	2,800	2,841	(41)
Other	1,114	1,236	(122)
Total expenditures	<u>38,314</u>	<u>38,197</u>	<u>(1,117)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,186	4,535	(2,651)
Fund transfers	<u>(11,186)</u>	<u>(11,068)</u>	<u>90</u>
EXCESS OF REVENUES AND FUND TRANSFERS	(3,999)	(6,533)	(2,534)
FUND BALANCE, JANUARY 1, 2003		<u>17,739</u>	
FUND BALANCE, DECEMBER 31, 2003		<u>\$ 11,206</u>	

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

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Franklin, 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 1978 Session of the Louisiana Legislature. Board members were not paid compensation in any form.

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