

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

Annual Financial Statements

**As of and for the Year Ended
December 31, 2003**

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 6.2.07

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

Annual Financial Statements

As of and for the Year Ended December 31, 2003

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**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana
Annual Financial Statements
As of and for the Year Ended December 31, 2003**

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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Accountant's Compilation Report

BOARD OF COMMISSIONERS
WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana

I have compiled the accompanying basic financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Ward Five Fire Protection District of Union Parish as of December 31, 2003, and for the year then ended, in accordance with standards established by *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 and schedules, information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated May 20, 2004, on the results of my agreed-upon procedures.



Calhoun, Louisiana
May 20, 2004

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003**

Our discussion and analysis of Ward Five Fire Protection District of Union Parish's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2003. Please read it in conjunction with the District's financial statements that begin on page 10.

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities on pages 10 and 11 provide information about the activities of the District and present a long-term view of the District's financial position. The fund financial statements presented on pages 12 and 13 provide information on how the operations of the District are financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements.

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and the changes in them. Net assets - the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net assets are an indicator of whether the District's financial position is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, the District reports only governmental activities due to the fact that the District is engaged in one governmental program - fire protection. Property taxes and intergovernmental revenues finance most of this activity.

Fund Financial Statements

The fund financial statements begin on page 12 and provide more detailed information about the District's funds. The District has only one fund, the General Fund, which is reported as a

WARD FIVE FIRE PROTECTION DISTRICT
 OF UNION PARISH
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 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended December 31, 2003

governmental fund. All of the services provided by the District are accounted for in the General Fund. Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations. Governmental fund information helps to determine whether there are more or fewer financial resources that are available to be spent in the near future.

The differences between governmental activities reported in the Statement of Net Assets and the Statement of Activities and the governmental funds reported in the fund financial statements are reported in a reconciliation at the bottom of the fund financial statements.

**COMPARATIVE ANALYSIS OF
 FINANCIAL DATA**

Government-Wide

The District's total net assets increased by \$74,457 during 2003. The increase in net assets is primarily due to the Union Parish Police Jury transferring title to two fire trucks to the District during 2003. The following presents an analysis of net assets and changes in net assets of the District's governmental activities:

	GOVERNMENTAL ACTIVITIES	
	2003	2002
Assets		
Current assets	\$140,351	\$123,049
Capital assets	<u>331,346</u>	<u>272,967</u>
Total assets	<u>471,697</u>	<u>396,016</u>
Liabilities		
Current liabilities	93,042	83,233
Long-term liabilities	<u>75,531</u>	<u>84,116</u>
Total liabilities	<u>168,573</u>	<u>167,349</u>
Net Assets		
Invested in capital assets, net of related debt	255,815	200,876
Unrestricted	<u>47,309</u>	<u>27,791</u>
Total net assets	<u>303,124</u>	<u>228,667</u>

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003**

	GOVERNMENTAL ACTIVITIES	
	<u>2003</u>	<u>2002</u>
General revenues		
Property taxes	73,589	70,384
Payments in lieu of taxes	3,460	2,884
State fire insurance rebate	7,909	8,004
Interest earnings	893	1,082
Miscellaneous	18,585	5,252
Special item		
Transfer from police jury	60,000	
Extraordinary item		
Insurance proceeds		69,000
Program expenses		
Public safety - fire protection	89,979	93,639
Change in net assets	74,457	62,967
Net assets- beginning	<u>228,667</u>	<u>165,700</u>
Net assets - ending	<u>\$303,124</u>	<u>\$228,667</u>

The increase in miscellaneous revenues resulted from the individual fire stations paying off bank loans with funds that are separate from the District's funds. Total expenses decreased \$3,660 in 2003.

Governmental Funds

Total revenues in governmental activities increased \$16,830 due to an increase in miscellaneous revenues as described above. The expenses of the governmental activities increased \$17,118 primarily due to the purchase of a used fire truck reported as capital outlay expenditures.

OVERALL FINANCIAL POSITION

The District's net assets increased \$74,457 as a result of this year's operations. Unrestricted net assets (those assets available to finance the daily operations of the district) were \$47,309 at year end. The amount invested in capital assets, net of the related debt was \$255,815 at year end.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003**

DISTRICT'S FUNDS

At the end of the year, the District's General Fund reported an unreserved fund balance of \$47,309. The increase in unreserved fund balance for 2003 was \$7,493. The primary reason for the increase in unreserved fund balance was the increase in miscellaneous revenue resulted from the individual fire stations paying off bank loans with funds that are separate from the District's funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District did not amend its budget during the year. At year end, actual revenues exceeded budgeted revenues by \$18,215 and actual expenditures exceeded budgeted expenditures by \$6,321.

The District's General Fund fund balance of \$47,309 reported on page 13 differs from the General Fund's budgetary fund balance of \$60,639 on page 25 because the District prepares its budget on the cash basis of accounting.

CAPITAL ASSETS AND DEBT

Capital Assets

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$331,346. Capital assets include a building, vehicles, and equipment, costing \$1,500 or more. There were three additions during the year in the amount of \$85,000. A used fire truck was purchased for \$25,000 and the Union Parish Police Jury transferred the title to two used fire trucks valued at \$30,000 each to the District. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

Debt

At year end the District had \$75,531 in loans payable. The District had a total of three outstanding bank loans. Two of the loans were obtained in prior years and the proceeds were used to purchase capital assets. The third loan was obtained during 2003 and was used to purchase a used fire truck. Two loans that were outstanding at the beginning of the year were paid in full during 2003. Additional information about the District's debt is presented in Note 5 to the financial statements.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District prepared its 2004 budget on the assumption that revenues and expenditures will remain fairly constant next year. The District anticipates no significant changes in revenue or expenditures. The District expects its General Fund fund balance to remain fairly unchanged by the end of 2004.

BASIC FINANCIAL STATEMENTS

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**STATEMENT OF NET ASSETS
December 31, 2003**

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash	\$60,639
Property tax receivable	79,712
Capital assets, net	<u>331,346</u>
TOTAL ASSETS	<u>\$471,697</u>
LIABILITIES	
Accounts payable	4,879
Deferred revenue	79,712
Protest taxes payable	8,451
Bank loans payable	<u>75,531</u>
TOTAL LIABILITIES	<u>168,573</u>
NET ASSETS	
Invested in capital assets, net of related debt	255,815
Unrestricted	<u>47,309</u>
TOTAL NET ASSETS	<u><u>\$303,124</u></u>

See accompanying notes and accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
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**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2003**

	<u>GOVERNMENTAL ACTIVITIES</u>
Expenses:	
Public safety - fire protection	<u>\$89,979</u>
General revenues:	
Property taxes	73,589
Payments in lieu of taxes	3,460
State fire insurance rebate	7,909
Interest earnings	893
Miscellaneous	18,585
Special item - assets transferred from police jury	<u>60,000</u>
Total general revenues and special items	<u>164,436</u>
Change in net assets	74,457
Net assets - beginning	<u>228,667</u>
Net assets - ending	<u><u>\$303,124</u></u>

See accompanying notes and accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2003**

	<u>GENERAL FUND</u>
ASSETS	
Cash	\$60,639
Property tax receivable	<u>79,712</u>
TOTAL ASSETS	<u><u>\$140,351</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$4,879
Deferred revenue	79,712
Protest taxes payable	<u>8,451</u>
Total liabilities	93,042
Fund balance - unreserved	<u>47,309</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$140,351</u></u>
Reconciliation of the Balance Sheet of Governmental Fund To the Statement of Net Assets:	
Fund balance - unreserved - General Fund	\$47,309
Amount reported for net assets of governmental activities in the Statement of Net Assets (Statement A) is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund	331,346
Long-term liabilities, such as bank loans payable, are not due and payable in the current period and therefore are not reported in the fund	<u>(75,531)</u>
Net assets of governmental activities (Statement A)	<u><u>\$303,124</u></u>

See accompanying notes and accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended December 31, 2003**

	<u>GENERAL FUND</u>
REVENUES	
Property taxes	\$73,589
Intergovernmental revenues:	
Federal - payments in lieu of taxes	3,460
State - fire insurance rebate	7,909
Interest earnings	893
Other revenues	<u>18,585</u>
Total revenues	<u>104,436</u>
EXPENDITURES	
Public safety - fire protection:	
Current:	
Operating services	39,767
Materials and supplies	14,615
Other charges	977
Debt service	38,762
Intergovernmental	2,905
Capital outlay	<u>85,000</u>
Total expenditures	<u>182,026</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(77,590)
OTHER FINANCING SOURCES - bank loan proceeds	25,083
SPECIAL ITEM - assets transferred from police jury	<u>60,000</u>
NET CHANGE IN FUND BALANCE	7,493
FUND BALANCE AT BEGINNING OF YEAR	<u>39,816</u>
FUND BALANCE AT END OF YEAR	<u><u>\$47,309</u></u>

(Continued)

See accompanying notes and accountant's compilation report.

WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND (Contd.)
For the Year Ended December 31, 2003

	<u>GENERAL FUND</u>
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities:	
Net change in fund balance - General Fund	\$7,493
Amount reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	58,379
Proceeds from bank loans provide current financial resources to the governmental fund, but obtaining debt increases long-term liabilities in the statement of net assets.	(25,083)
Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets.	<u>33,668</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$74,457</u></u>

(Concluded)

See accompanying notes and accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

INTRODUCTION

The Ward Five Fire Protection District of Union Parish was created by the Union Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492. The district is governed by a five member board. Two members are appointed by the Union Parish Police Jury, two members are appointed by the Village of Downsville, and the fifth member, who is chairman, is selected by the other four members. Board members serve two year terms without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district. The district has no employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Ward Five Fire Protection District of Union Parish is considered a component unit of the Union Parish Police Jury. As a component unit, the accompanying financial statements maybe included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Ward Five Fire Protection District of Union Parish.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The Ward Five Fire Protection District of Union Parish did not have any program revenues for the year ended December 31, 2003. Taxes and other items not properly included among program revenues are reported as general revenues.

See accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Notes to the Financial Statements**

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements. The Ward Five Fire Protection District of Union Parish has only one governmental fund.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

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

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the district.

The Ward Five Fire Protection District of Union Parish reports the following governmental fund:

General Fund

The General fund is the general operating fund of the district and accounts for all financial resources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to

See accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH**
Notes to the Financial Statements

the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

C. Deposits

Cash includes amounts in interest-bearing demand deposits.

D. Receivables

Property tax receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The district is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The district is authorized to levy a maximum tax of 10 mills annually on property within the boundaries of the district for maintenance and operation of the district beginning with the year 2001 and ending with the year 2010. The district levied 10 mills for the year ended December 31, 2003.

E. Capital Assets

Capital assets, which include buildings, vehicles, and equipment are reported in the governmental activities column in the government-wide financial statements. All of the district's capital assets are capitalized at historical cost. The Ward Five Fire Protection District of Union Parish maintains a threshold level of \$1,500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

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

	<u>Estimated Lives</u>
Buildings	40 years
Vehicles	5-15 years
Equipment	5-10 years

See accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Notes to the Financial Statements**

F. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

G. Special Items

Special items are transactions or events that are either unusual in nature or infrequent in occurrence. During the year ended December 31, 2003, the Union Parish Police Jury transferred the title of two fire trucks valued at \$60,000 to the Ward Five Fire Protection District of Union Parish. This transaction is reported as a special item in the accompany financial statements.

H. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. At December 31, 2003, the district's governmental fund balance was unreserved and undesignated.

I. Estimates

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

**2. STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY**

See accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Notes to the Financial Statements**

A. Budget Information

The Ward Five Fire Protection District of Union Parish uses the following budget practices:

A preliminary General Fund budget for the ensuing year is prepared by the treasurer of the board of commissioners on the cash basis of accounting. The budget is then adopted by the board during the regular November or December meeting. The budget is established and controlled by the board of commissioners at the object level of expenditure.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Encumbrance accounting is not used by the district. All changes in the budget must be approved by the board of commissioners.

Budgeted amounts included in the accompanying financial statements include the original adopted budget. There were no budget amendments during the year ended December 31, 2003.

Schedule 1 in the accompanying financial statements presents comparisons of the legally adopted budget with actual data on the budgetary (cash) basis. Because accounting principles applied for purposes of developing data on the budgetary basis differ significantly from those used to present the fund financial statements, a reconciliation of resultant basis differences in the change in fund balance follows:

Net increase in cash (budgetary basis) as reported on Schedule 1	\$13,385
Adjustments to expenditures for accounts payable	(3,777)
Adjustments to revenue for property taxes paid under protest	(3,102)
Adjustments to revenue for deferred property tax revenue	<u>987</u>
Net change in fund balance (GAAP basis) as reported on Statement D	<u><u>\$7,493</u></u>

B. Excess Expenditures Over Appropriations

The General Fund had actual expenditures over budgeted expenditures of \$6,321 or 9.6 % of total final budgeted expenditures.

See accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Notes to the Financial Statements**

3. CASH

At December 31, 2003, the district had cash in interest-bearing demand deposits (book balances) of \$60,639. 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. Cash (bank balances) at December 31, 2003, are \$60,639, and are fully secured from risk by federal deposit insurance.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2003, is as follows:

	<u>Balance at January 1, 2003</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2003</u>
Governmental activities:				
Capital assets being depreciated:				
Buildings	\$28,220			\$28,220
Vehicles	300,073	\$85,000		385,073
Equipment	29,086			29,086
Total capital assets being depreciated	<u>357,379</u>	<u>85,000</u>	<u>NONE</u>	<u>442,379</u>
Less accumulated depreciation for:				
Buildings	6,349	706		7,055
Vehicles	57,169	23,266		80,435
Equipment	20,894	2,649		23,543
Total accumulated depreciation	<u>84,412</u>	<u>26,621</u>	<u>NONE</u>	<u>111,033</u>
Total assets being depreciated, net	<u>\$272,967</u>	<u>\$58,379</u>	<u>NONE</u>	<u>\$331,346</u>

Depreciation expense of \$26,621 for the year ended December 31, 2003 was charged to the public safety - fire protection governmental function.

See accountant's compilation report.

WARD FIVE FIRE PROTECTION DISTRICT
 OF UNION PARISH
 Notes to the Financial Statements

5. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt (bank loans payable) transactions for the year ended December 31, 2003:

	Community Trust Bank Loan	First National Bank Loan	Mer Rouge State Bank Loan	First National Bank Loan	Total
Bank loans payable at January 1, 2003	\$11,245	\$34,919	\$25,927	\$12,025	\$84,116
Additions	25,083				25,083
Reductions	<u>(11,245)</u>	<u>(\$5,980)</u>	<u>(\$4,418)</u>	<u>(\$12,025)</u>	<u>(33,668)</u>
Bank loans payable at December 31, 2003	<u>\$25,083</u>	<u>\$28,939</u>	<u>\$21,509</u>	<u>NONE</u>	<u>\$75,531</u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2003:

	Community Trust Bank Loan	First National Bank Loan	Mer Rouge State Bank Loan	Total
Current portion	\$25,083	\$4,635	\$4,776	\$34,494
Long-term portion	<u>NONE</u>	<u>24,304</u>	<u>16,733</u>	<u>41,037</u>
Total	<u>\$25,083</u>	<u>\$28,939</u>	<u>\$21,509</u>	<u>\$75,531</u>

All outstanding debt at December 31, 2003, in the amount of \$75,531 are bank loans payable with maturities from 2004 until 2009 and interest rates from 6.75% to 9.5%. Loan principal and interest payable in the next fiscal year are \$34,494 and \$6,440, respectively. The individual loans are as follows:

	Community Trust Bank Loan	First National Bank Loan	Mer Rouge State Bank Loan
Original issue date	7/28/03	10/16/00	9/28/01

See accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Notes to the Financial Statements**

	Community Trust Bank Loan	First National Bank Loan	Mer Rouge State Bank Loan
Interest rate	7.50%	8.50%	8.00%
Final payment due	11/28/04	10/16/09	10/1/07
Interest to maturity	\$2,259	\$8,135	\$4,479
Principal outstanding	\$25,083	\$28,939	\$21,509
Funding source	Property taxes	Property taxes	Property taxes

All principal and interest requirements are funded in accordance with Louisiana law by the annual property tax levy within the district. The loans are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2004	\$34,494	\$6,440	\$40,934
2005	10,188	3,404	13,592
2006	11,028	2,564	13,592
2007	11,923	1,669	13,592
2008	6,424	671	7,095
2009	1,474	125	1,599
Total	<u>\$75,531</u>	<u>\$14,873</u>	<u>\$90,404</u>

In accordance with R.S. 39:562, the Ward Five Fire Protection District of Union Parish is legally restricted from incurring long-term debt in excess of 35% of the assessed value of taxable property. At December 31, 2003, the statutory limit is \$2,789,916, and outstanding debt totals \$75,531.

6. RISK MANAGEMENT

The district, as well as the individual fire stations in the district, purchase commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

See accountant's compilation report.

REQUIRED SUPPLEMENTAL INFORMATION

See accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2003**

	BudgetedAmounts.....		Actual Amounts (Budgetary Basis - Cash)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$65,045	\$65,045	72,798	\$7,753
Intergovernmental revenues:				
Federal - payments in lieu of taxes	150	150	3,460	3,310
State - fire insurance rebate	1,600	1,600	7,909	6,309
Use of money and property - interest earnings	50	50	893	843
Total revenues	<u>66,845</u>	<u>66,845</u>	<u>85,060</u>	<u>18,215</u>
EXPENDITURES				
Public safety - fire protection:				
Current:				
Operating services	35,491	35,491	36,590	(1,099)
Materials and supplies	8,921	8,921	14,044	(5,123)
Travel and other charges	200	200	755	(555)
Debt service	20,092	20,092	20,286	(194)
Intergovernmental	150	150		150
Capital outlay	500	500		500
Total expenditures	<u>65,354</u>	<u>65,354</u>	<u>71,675</u>	<u>(6,321)</u>
NET INCREASE IN CASH	1,491	1,491	13,385	11,894
CASH BALANCE AT BEGINNING OF YEAR	6,415	6,415	47,254	40,839
CASH BALANCE AT END OF YEAR	<u>\$7,906</u>	<u>\$7,906</u>	<u>\$60,639</u>	<u>\$52,733</u>
BUDGET TO GAAP RECONCILIATION:				
Net increase in cash - budgetary basis (Schedule 1)				\$13,385
Differences - budget to GAAP:				
Adjustment to revenue for property taxes paid under protest				(3,102)
Adjustment to expenditures for current year and prior year accounts payable				(3,777)
Adjustment to revenue for deferred property tax revenue				987
Net change in fund balance - GAAP basis (Statement D)				<u>\$7,493</u>

Notes to Schedule: There were no budget amendments during the year ended December 31, 2003.

See accountant's compilation report.

OTHER SUPPLEMENTAL INFORMATION SCHEDULES

See accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**OTHER SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 2003**

STATUS OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

**CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 3.

See accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**STATUS OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2003**

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action</u>
Procedure 8a	12/31/03	One disbursement was not adequately supported.	No	See current year findings.
Procedure 10	12/31/03	The district did not obtain State Bond Commission approval before obtaining a bank loan.	Yes	N/A

See accountant's compilation report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2003**

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
Procedure 7	Actual expenditures exceeded budgeted expenditures by \$6,321 or 9.6%.	The district will amend its budget when actual expenditures exceed budgeted expenditures by 5% or more.	Joan Lenard, Treasurer	12/31/04
Procedure 8a	Three disbursements were not adequately supported.	All future disbursements will be supported by original invoice or other supporting documentation.	Joan Lenard, Treasurer	12/31/04

See accountant's compilation report.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

**BOARD OF COMMISSIONERS
WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Ward Five Fire Protection District of Union Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Ward Five Fire Protection District of Union Parish's compliance with certain laws and regulations during the year ended December 31, 2003 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of the disbursement journal for the year. There were no disbursements exceeding \$15,000 made during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

**BOARD OF COMMISSIONERS
WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH**

**Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2003**

3. Obtain from management a listing of all employees paid during the period under examination.

The district had no employees during the year ended December 31, 2003.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

See results of procedures listed under question number 3.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

I obtained a copy of the legally adopted budget and all amendments.

6. Trace the budget adoption and amendments to the minute book.

The 2003 original budget was adopted at the November 14, 2002 board meeting. There were no budget amendments during the year ended December 31, 2003.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5 % or more or if actual expenditures exceed budgeted amounts by 5% or more.

Actual revenues exceeded budgeted revenues and actual expenditures exceeded budgeted expenditures by \$6,321 or 9.6%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and;
- (a) trace payments to supporting documentation as to correct amount and payee;
 - (b) determine if payments were properly coded to the correct fund and general ledger account;
 - (c) determine whether payments received approval from proper authorities.

**BOARD OF COMMISSIONERS
WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2003**

An examination of six randomly selected disbursements disclosed the following:

- (a) Three of the six disbursements were not adequately supported.
- (b) Five disbursements were properly coded to the correct fund and general ledger account. There was insufficient supporting documentation to determine if one of the disbursements was posted to the correct general ledger account.
- (c) All six disbursements received approval from proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the opening meetings law).

A notice and agenda for regular board meetings is posted on the door of the meeting location at least 24 hours prior to the meeting.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

The district obtained a bank loan in the amount of \$25,083 during the year ended December 31, 2003.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

The district had no employees during the year ended December 31, 2003.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

**BOARD OF COMMISSIONERS
WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH**

**Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2003**

This report is intended solely for the use of management of the Ward Five Fire Protection District of Union Parish and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.



Calhoun, Louisiana

May 20, 2004

Louisiana Attestation Questionnaire

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

M. Carleen Dumas
Certified Public Accountant
369 Donaldson Rd.
Calhoun, La 71225

Mrs. Dumas,

In connection with your compilation of our financial statements of the Ward Five Fire Protection District of Union Parish as of December 31, 2003 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 information available to us as of May 12, 2004

PUBLIC BID LAW

- 1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes [] No [] N/A []

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

- 2. 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 which would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No [] N/A []

- 3. 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 which would constitute a violation of LSA-RS 42:1119.

Yes [] No [] N/A []

BUDGETING

- 4. 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 39:43.

Yes No N/A

ACCOUNTING AND REPORTING

- 5. 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 N/A

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

Yes No N/A

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

Yes No N/A

MEETINGS

- 8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes No N/A

DEBT

- 9. It is true that 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 47:1410.60.

Yes No N/A

ADVANCES AND BONUSES

- 10. It is true that 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 N/A

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 non-compliance which may occur subsequent to the issuance of your report.

Arlene Nunn
Name

5/12/2004
Date