

REPORT

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
Enon, 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 8-4-04

WILLIAM R. DURDEN

Certified Public Accountant

820 11TH AVENUE
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WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana

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

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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

Board of Commissioners
Washington Parish Fire
Protection District # 8
Enon, Louisiana

I have compiled the accompanying financial statements, of the Washington Parish Fire Protection District No. 8, a component unit of the Washington Parish Government and supplemental information, contained in schedules 1 & 2, which is presented only for supplemental analysis purposes, and the Louisiana Attestation Questionnaire, as of and for the year ended December 31, 2003. These financial statements are presented in accordance with the 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, 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 2 through 7 and 22 are not a 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.



William R. Durden
Certified Public Accountant
June 29, 2004

Management's Discussion and Analysis

WASHINGTON PARISH FIRE PROTECTION DISTRICT #8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana

Management's Discussion and Analysis

Introduction

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 8 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 in the General Fund for the year were \$161,139 at December 31, 2003 and exceeded liabilities in the amount of \$25,589 (fund balance). Of this total, \$25,589 was unrestricted and available for use by the District for short-term operations.
- The total assets in the Debt Service Fund were \$105,074 at December 31, 2003 and exceeded liabilities in the amount of \$71,142. Of this total net assets, \$71,142 was restricted for long-term debt service.
- Revenues consist of ad valorem tax, state revenue sharing, grants, and insurance rebate. The overall revenues increased 49% (\$70,550) for the fiscal year ending December 31, 2003. The increase of \$70,550 was the effect of the District receiving Federal Grant of \$116,838 and the reduction in insurance proceeds during the 2003 year. Both sources of revenues are non-recurring items.
- Operating expenditures in the General Fund for December 31, 2003 increased \$18,577 over December 31, 2002. The increase occurred in the following expenditures: repairs & maintenance, \$12,690, supplies, \$3,564, and insurance, \$1,471. Capital expenditures for the year were \$142,647. The District was awarded a firefighter assistance grants of \$116,838 of federal funds. The District share of grants was \$12,982.
- The District's long-term debt at December 31, 2003 is \$264,463. The debt decreased by \$10,000, which was regular payment of principal on outstanding bonds and \$8,030 payment to lease payable.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana

Management's Discussion and Analysis

Overview of Annual Financial Report

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

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in nets assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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

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 #8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana**

Management's Discussion and Analysis

Financial Analysis

Since this is the first year that the Fire District No. 8 is reporting under the GASB 34, which required government-wide statement, we are presenting a financial analysis based on the prior year and current year governmental funds, only. The purpose of financial analysis is to help to determine whether the Fire District No. 8 is better off as a result of the current year's activities. In this analysis, we compared data from two of the basic financial statements the Balance Sheet and the 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>\$ 260,671</u> | <u>\$ 266,213</u> | <u>\$ 5,542</u> | <u>2.13%</u> |
| Total Liabilities | <u>\$ 157,701</u> | <u>\$ 169,482</u> | <u>\$ 11,781</u> | <u>7.47%</u> |
| Fund Balance- Unreserved | 31,754 | 25,589 | (6,165) | -24.09% |
| Fund Balance- Reserved | <u>71,216</u> | <u>71,142</u> | <u>(74)</u> | <u>-0.10%</u> |
| Total Fund Balances | <u>102,970</u> | <u>96,731</u> | <u>(6,239)</u> | <u>-6.06%</u> |
| Total Liabilities and Fund Balances | <u>\$ 260,671</u> | <u>\$ 266,213</u> | <u>5,542</u> | <u>2.13%</u> |

The liabilities consist of deferred revenues and due to other funds accounts payable of \$147,003 and \$20,739, respectively.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana**

Management's Discussion and Analysis

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

| | 12/31/02 | 12/31/03 | Dollar Change | Percent Change |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Total Revenues | \$ 164,424 | \$ 235,113 | \$ 70,689 | 42.99% |
| Expenditures: | | | | |
| Operating Expenditures | 43,994 | 62,471 | 18,477 | 42.00% |
| Debit Service Expenditures | 42,948 | 36,234 | (6,714) | -15.63% |
| Capital Outlay | 44,083 | 142,647 | 98,564 | 223.59% |
| Total Expenditures | <u>131,025</u> | <u>241,352</u> | <u>110,327</u> | 84.20% |
| Excess Revenue Over Expenditures | 33,399 | (6,239) | \$ (39,638) | -118.68% |
| Fund Balance, January 1, 2003 | <u>\$ 69,571</u> | <u>\$ 102,970</u> | <u>\$ 33,399</u> | 48.01% |
| Fund Balance , December 31, 2003 | <u>\$ 102,970</u> | <u>\$ 96,731</u> | <u>\$ (6,239)</u> | -6.06% |

Budgetary Highlight

The district does not have a formal policy on adopting a budget. The District did not adopt a budget for year ending December 31, 2003.

Capital Assets

At the end of the fiscal year December 31, 2003, the Fire District No. 8 had \$485,114 (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 years |
| Equipment | 3-10 years |

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.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana

Management's Discussion and Analysis

Capital asset activity for the year ended December 31, 2003

| | <u>12/31/02</u> | <u>12/31/03</u> | <u>Dollar Change</u> | <u>12/31/03</u> |
|--------------------|-------------------|-------------------|--------------------------|-----------------|
| Fire trucks | \$ 313,885 | \$ 334,259 | \$ 20,374 | 6.49% |
| Land | 5,510 | 5,510 | - | 0.00% |
| Fire house | 107,798 | 107,798 | - | 0.00% |
| Fire equipment | 144,844 | 267,117 | 122,273 | 84.42% |
| subtotal | <u>572,037</u> | <u>714,684</u> | <u>142,647</u> | 24.94% |
| Less Accumulated | | | | |
| Depreciation | (190,173) | (229,570) | (39,396) | 20.72% |
| Net Capital Assets | <u>\$ 381,864</u> | <u>\$ 485,114</u> | <u>\$ 103,251</u> | 27.04% |

The district purchased \$142,647 of capital assets.

Long-Term Debt Activity

Long-term obligations are reported in the government-wide 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 debt obligation for the Fire District # 8 during 2003, follow:

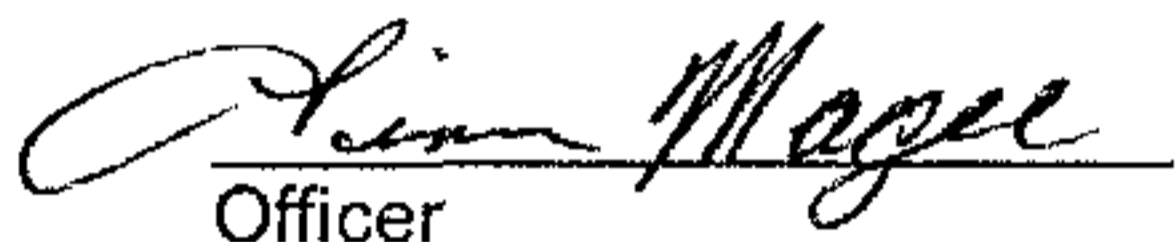
| | Balance 1/1/03 | Additions | Deductions | Balance 12/31/03 | Current Payment |
|------------------|-------------------|-------------|------------------|---------------------|--------------------|
| Obligation Bonds | \$200,000 | - | \$ 10,000 | \$ 190,000 | \$ 10,000 |
| Lease Payable | 82,493 | - | 8,030 | 74,463 | 16,715 |
| | <u>\$282,493</u> | <u>\$ -</u> | <u>\$ 18,030</u> | <u>\$ 264,463</u> | <u>\$ 26,715</u> |

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana**

Management's Discussion and Analysis

Future Economic Plans

The Washington Parish Fire Protection District's management approach is conservative. The Board of Commissioners actively monitor revenues and expenses and evaluate the costs of proposed expansion projects. The district is planning to build a third fire station.


Officer

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
 WASHINGTON PARISH GOVERNMENT
 Enon, Louisiana
 Statement of Net Assets
 December 31, 2003

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS: | |
| Cash and cash equivalents | \$ 93,392 |
| Property tax receivables | 147,003 |
| Other receivables | 1,902 |
| Prepaid insurance | 3,177 |
| Capital assets | |
| Land | 5,510 |
| Building, trucks, and equipment | 709,174 |
| Less accumulated depreciation | <u>(229,570)</u> |
| Capital assets , net | <u>485,114</u> |
| Total Assets | <u><u>730,588</u></u> |
| LIABILITIES: | |
| Accounts payable | 1,740 |
| Deferred revenue | 147,003 |
| Long-term debt due in one year | 26,715 |
| Long-term debt due more than one year | 237,748 |
| Total Liabilities | <u><u>413,206</u></u> |
| Net Assets | |
| Invested in capital assets, net of related debt | 220,651 |
| Restricted for debt | 264,463 |
| Restricted for protest tax | 15,541 |
| Unrestricted | (183,273) |
| Total Net Assets | <u><u>\$ 317,382</u></u> |

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

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT #8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2003

EXPENSES:

| | |
|-------------------------|----------------|
| Fuel, gas, and oil | \$ 3,232 |
| Dues and subscriptions | 675 |
| Workmen compensation | 1,288 |
| Repairs and maintenance | 18,665 |
| Supplies | 14,839 |
| Depreciation expense | 39,396 |
| Insurance expense | 13,439 |
| Legal and accounting | 2,768 |
| Utilities | 4,217 |
| Office expense | 1,710 |
| Administrative expense | 750 |
| Interest expense | 17,454 |
| Miscellaneous | 1,638 |
| Total Program Expenses | <u>120,071</u> |

Program Revenues:

| | |
|------------------------|----------------|
| Ad valorem taxes | 108,880 |
| State revenue sharing | 5,649 |
| Insurance rebate | 3,267 |
| Grant revenues | 116,838 |
| Interest earned | 480 |
| Other revenues | - |
| Total Program Revenues | <u>235,114</u> |

Change in Net Assets 115,043

Beginning Net Assets, JANUARY 1, 2003 \$ 202,339

Ending Net Assets, DECEMBER 31, 2003 \$ 317,382

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

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
 WASHINGTON PARISH GOVERNMENT
 Enon, Louisiana
 Balance Sheet
 Governmental Funds
 December 31, 2003

| | General Fund | Debt Service Fund | Total Governmental Funds | Reconciliation |
|-------------------------------------|-------------------|-------------------------|--------------------------------|---|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 39,664 | \$ 53,728 | \$ 93,392 | Total government funds balance \$ 96,731 |
| Receivables | 114,733 | 32,270 | 147,003 | Invested in |
| Other receivables | 1,902 | - | 1,902 | capital assets 485,113 |
| Prepaid Insurance | 3,177 | - | 3,177 | Total debt \$ (264,462) |
| Due from other funds | 1,663 | 19,077 | 20,740 | |
| TOTAL ASSETS | <u>\$ 161,139</u> | <u>\$ 105,074</u> | <u>\$ 266,213</u> | Net assets of government activities <u>\$ 317,382</u> |
| LIABILITIES AND EQUITY | | | | |
| LIABILITIES: | | | | |
| Accounts payable | \$ 1,740 | - | \$ 1,740 | |
| Deferred revenue | 114,733 | 32,270 | 147,003 | |
| Due to other funds | 19,077 | 1,662 | 20,739 | |
| Total Liabilities | <u>135,550</u> | <u>33,932</u> | <u>169,482</u> | |
| EQUITY | | | | |
| Reserved for debt service | - | 71,142 | 71,142 | |
| Fund balance - unreserved | 25,589 | - | 25,589 | |
| Total Equity | <u>25,589</u> | <u>71,142</u> | <u>96,731</u> | |
| TOTAL LIABILITIES AND EQUITY | <u>\$ 161,139</u> | <u>\$ 105,074</u> | <u>\$ 266,213</u> | |

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

STATEMENT D

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
 WASHINGTON PARISH GOVERNMENT
 Enon, Louisiana

Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Governmental Funds
 For the Year Ended December 31, 2003

| | General | Debt Service | Total | Reconciliation |
|--|------------------|------------------|------------------|------------------------------|
| REVENUES: | | | | Change in |
| Ad valorem taxes | \$ 86,711 | \$ 22,168 | \$ 108,880 | fund balance \$ (6,239) |
| State revenue sharing | 5,649 | - | 5,649 | Capital assets |
| Insurance rebate | 3,267 | - | 3,267 | purchased 142,647 |
| Grant revenues | 116,838 | - | 116,838 | Principal |
| Interest earned | 480 | - | 480 | payments 18,030 |
| Total Revenues | <u>212,945</u> | <u>22,168</u> | <u>235,113</u> | Depreciation (39,396) |
| | | | | expense |
| EXPENDITURES: | | | | Change in |
| Fuel, gas, and oil | 3,231 | - | 3,231 | net assets <u>\$ 115,042</u> |
| Dues and subscriptions | 675 | - | 675 | |
| Workmen compensation | 1,288 | - | 1,288 | |
| Insurance expense | 13,439 | - | 13,439 | |
| Repairs and maintenance | 18,665 | - | 18,665 | |
| Supplies | 14,839 | - | 14,839 | |
| Utilities | 4,217 | - | 4,217 | |
| Capital outlay | 142,647 | - | 142,647 | |
| Legal and accounting | 2,768 | - | 2,768 | |
| Office expense | 1,710 | - | 1,710 | |
| Administrative expense | | 750 | 750 | |
| Debt service: | | | - | |
| Principal retirement | | 18,031 | 18,031 | |
| Interest | | 17,453 | 17,453 | |
| Miscellaneous | 1,638 | | 1,638 | |
| Total expenditures | <u>205,118</u> | <u>36,234</u> | <u>241,352</u> | |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>7,827</u> | <u>(14,066)</u> | <u>(6,238)</u> | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers (to) from other funds | (13,992) | 13,992 | - | |
| Total other financing sources (uses) | <u>(13,992)</u> | <u>13,992</u> | <u>-</u> | |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | <u>(6,165)</u> | <u>(74)</u> | <u>(6,238)</u> | |
| Fund balance, January 1, 2003 | <u>31,754</u> | <u>71,216</u> | <u>102,970</u> | |
| Fund balance, December 31, 2003 | <u>\$ 25,589</u> | <u>\$ 71,142</u> | <u>\$ 96,732</u> | |

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

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana

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

NOTE 1- DESCRIPTION OF COMPONENT UNIT AND REPORTING ENTITY

The 1991 Louisiana Legislature, pursuant to Louisiana Revised statute 40:1491, created the Washington Parish Fire Protection Districts. Washington Parish Fire Protection District Number Eight was created by an ordinance adopted on December 12, 1994, by the Washington Parish Government. 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 covers 43.7 square miles in a portion of Ward 6 in Washington Parish. There are no incorporated municipalities within the boundaries of the District. It serves approximately 4,325 people and businesses located within the boundaries of the District. The District operates out of two fire stations which are located as follows: Station No. 1 located at the corner of Spencer Road and Cemetery Road and Station No. 2 on Louisiana Highway 16. The District does not employ any compensated employees and, therefore, operates with a 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.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana

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

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:

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.
 - c. *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 # 8 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 an accrual basis of accounting.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana

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

The significant differences are that capital outlay and depreciation are reported in the government-wide statement. Also, long term obligations are recorded as liabilities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. BASIS OF PRESENTATION

Government-Wide Statements

The statement of net assets and the statement of activities display information about the Fire District # 8 as a whole. These statements distinguish between those activities of Fire District # 8 that are governmental and those that are considered business type activities.

Fund Financial Statements

During the year, the Fire District # 8 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 of 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 government-wide statements. Operating statements of governmental funds present increases in revenues other financing sources, and decreases in expenditures and other financing uses in current assets.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana

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

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.

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 Non Exchange Transactions, defines a non exchange transaction as a transaction whereby the government gives or receives value without directly receiving or giving equal value in return. Property taxes are imposed non exchange 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:

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana

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

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.

Expenditures

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

D. BUDGETS

The District does not have a formal policy on adopting a budget. The District did not adopt a budget for year ending December 31, 2003.

E. ENCUMBRANCES

The District does not use encumbrance accounting.

F. 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.

G. PREPAID ITEMS

The District uses the allocation method of recording prepaid expenses.

H. 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 years |
| Equipment | 3-10 years |

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
Enon, 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.

I. COMPENSATED ABSENCES

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

J. LONG-TERM OBLIGATIONS

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

J. 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

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

2. LEVIED TAXES

On April 29, 1995, the District offered two tax propositions to the voters of the District for funding fire protection. A 6 mill tax for the purpose of acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment in and for the District, and paying the cost of obtaining water for fire protection purposes for a period of 10 years beginning 1995 and ending with the year 2005 was passed by voters of the District. For the period covered by these financial statements, the millage was 6.0 mills.

Also, a proposition to issue general obligation bonds in the amount of \$250,000. to run 20 years for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including both real and personal property, to be used in giving fire protection to the property in the District, payable from ad valorem taxes to be levied and collected in the manner provided by Article VI, Section 33 of the Constitution of the State of Louisiana of 1974 was passed by the voters of the District. For the period covered by these financial statements, the millage was set at 3.0 mills.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
 Enon, Louisiana

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

On October 3, 1998, the voters of Washington Parish Fire Protection District #8 approved an additional 6.0 mill property tax for 10 years beginning 1998 and ending with the year 2007. The proceeds from this tax may be used for acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment in and for the District and paying the cost of obtaining water for fire protection purposes. For the period covered by these financial statements, the millage was 5.73 mills.

| | |
|--|------------------|
| 2003 Assessed value of taxable property | \$ 8,043,060 |
| 11.73 mill tax (less pension deduction)- Operating & maintenance | \$ <u>91,607</u> |
| 3.00 mill tax (less pension deduction)- Debt service | \$ <u>23,429</u> |

3. CASH AND CASH EQUIVALENTS

At December 31, 2003, the District has cash and cash equivalents totaling \$ 93,392 as follows:

| | |
|--|-------------------------|
| Demand deposits | \$ 64,180 |
| Money Market | 29,212 |
| Total cash and cash equivalents | \$ <u>93,392</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 \$88,785 in deposits (collected bank balances, including certificates of deposit). These deposits were secured from risk by \$100,000 of federal deposit insurance.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana

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

4. RECEIVABLES

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

| Class of receivable | Ad valorem taxes | Revenue Sharing |
|---------------------|-------------------|-----------------|
| General Fund | \$ 114,733 | \$ 1,902 |
| Debt Service Fund | 32,270 | |
| Total receivables | <u>\$ 147,003</u> | <u>\$ 1,902</u> |

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003

| | Balance January 1, 2002 | Additions | Deductions | Balance December 31, 2003 |
|---|-------------------------------|----------------|------------|---------------------------------|
| Capital assets not being depreciated: | | | | |
| Land | <u>5,510</u> | | | <u>5,510</u> |
| Capital assets being depreciated: | | | | |
| Fire trucks | 313,885 | 20,374 | \$ - | 334,259 |
| Fire house | 107,798 | | - | 107,798 |
| Fire equipment | <u>144,844</u> | <u>122,273</u> | - | <u>267,117</u> |
| Total capital assets being depreciation | <u>566,527</u> | <u>142,647</u> | <u>-</u> | <u>709,174</u> |
| Less accumulated depreciation | | | | <u>(229,570)</u> |
| Total capital assets being depreciation-net | | | | 479,604 |
| Total capital-net of depreciation | | | | <u>485,114</u> |

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
 Enon, Louisiana

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

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

| | Balance January 1, 2002 | Additions | Deductions | Balance December 31, 2002 |
|---------------|-------------------------------|-------------|------------------|---------------------------------|
| Bonds Payable | \$ 200,000 | \$ - | \$ 10,000 | \$ 190,000 |
| Lease Payable | 82,493 | - | 8,030 | 74,463 |
| TOTAL | \$ 282,493 | \$ - | \$ 18,030 | \$ 264,463 |

On April 29, 1995, the voters of Washington Parish Fire Protection District # 8 passed a proposition for the issuance of \$250,000. General obligation bonds for the purpose of acquiring, constructing, and improving buildings, machinery, and equipment, including both real and personal property, to be used in providing fire protection to the property of the District, title to which shall be in the public, said bonds to be payable from ad valorem taxes. The interest rate over the 20 years of the offering varies from 11.0% to 5.55% resulting in a net yield of 5.978559% (at par). The District is bound under the terms and provisions of the law and the resolution to impose and collect annually a special ad valorem tax on all the property subject to taxation within the territorial limits of the District, sufficient to pay the principal, interest and redemption premium, on the Bonds falling due each year. A principal and interest payment is due each March 1st and an interest only payment is due September 1st. The issue was purchased by Crew and Associates, Inc. of Little Rock, Arkansas.

Capital Lease Purchase Agreement:

The District entered into another Municipal Lease-Purchase Agreement with Consolidated Financial Resources, Inc. for the purchase of a 3500 gallon, equipped tanker truck. The lease is for \$100,000.00, with the first of seven payments in the amount of \$13,991.95, due February 28, 2001 and annually thereafter. The District was advanced \$3,021. for equipment for the tanker in November, 2000, however the Tanker truck was not be ready for delivery until February, 2001. The proposed debt service is shown below and will be financed with general fund revenues flowing through to the Debt Service Fund.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana

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

Both lease agreements contain a nonappropriation clause allowing the District to terminate the lease at the end of any fiscal year should funds for the succeeding fiscal period not be available for appropriation for lease payments. Notice must be given to Lessor at least sixty days prior to the first day of such fiscal period for which appropriations cannot be made.

The annual sinking fund requirements to amortize all bonds and/or debt outstanding at December 31, 2002, including interest of \$106,399, are as follows:

| Year Ending | General Obligation Bonds | Lease Payable | Lease Payable |
|-------------|--------------------------------|------------------|------------------|
| 2004 | 20,842 | - | 22,096 |
| 2005 | 20,240 | | 22,096 |
| 2006 | 24,359 | | 22,096 |
| 2007 | 23,708 | | 22,096 |
| 2007 - 2015 | 175,875 | - | |
| | <u>\$ 265,023</u> | <u>\$ -</u> | <u>\$ 88,384</u> |

7. FIRE FIGHTING EQUIPMENT GRANT

The District was awarded a grant from the U.S. Department of Federal Emergency Management Agency for the assistance to firefighter. The approved project cost was \$129,820. The federal share was 90% or \$116,838 of the approved amount and the District share of the cost was 10% or \$12,982. The District spends \$ 142,647 for year ended December 31, 2003.

8. LITIGATION AND CLAIMS

As of December 31, 2003, there were no litigations or claims against the District.

9. RELATED PARTY TRANSACTIONS

There were no related party transactions requiring disclosure in the financial statements.

10. SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

Schedule 1

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
Enon, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2003

| <u>Federal Grantor / Program Title</u> | <u>Federal CFDA Number</u> | <u>Grantor's Number</u> | <u>Federal Expenditures</u> |
|--|------------------------------------|-------------------------|---------------------------------|
| U.S Department of Federal Emergency Management Agency Assistance to Firefighters Grant Program | 85.554 | EMW-002-FG-04397 | \$ 116,838 |

See accountant's compilation report.

Schedule 2

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
WASHINGTON PARISH GOVERNMENT
Enon, 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.

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.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Washington Parish Fire Protection District # 8
Enon, LA

Gentlemen:

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Washington Parish Fire Protection DISTRICT # 8, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District'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 these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representations regarding the sufficiency of the procedures described below neither for the purpose for which this report has been requested nor for any other purpose.

Public Bid Law

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

The District did have three purchases that exceed \$15,000 and the District complied with public bid law.

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 of board members, their immediate family members, and their outside business interests. I scanned cash disbursements journals for any related party transactions, there were none that came to my attention.

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

The fire District does not employ any compensated firefighters or other personnel at this time, thus there were no payroll records to review.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in procedure (2) as immediate family members.

This procedure was not performed due to the lack of compensated employees.

Budgeting

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

The District did not adopt a budget for the year ending December 31,2003.

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

The District did not adopt a budget for the year ending December 31,2003.

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

The District did not adopt a budget for the year ending December 31,2003.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee:

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account;

The six payments I examined were coded to the correct general ledger accounts and proper fund.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting the six selected disbursements indicates approval to purchase from the Board of Commissioners.

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 open meetings law).

Washington Parish Fire Protection District No. 8 is only required to post a notice of each meeting and the accompanying agenda on the door of the District's meeting place. Management has asserted that such documents were properly posted. I examined copies of meeting notices containing date, time, place and business to be conducted, which are filed with the minutes of each 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.

I inspected copies of all bank deposits for the period under examination and did not note any deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

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.

I scanned cash disbursement records and minutes for evidence of any payments which may constitute bonuses, advances, or gifts to volunteer firemen, none were noted. The District does not employ any compensated fire fighters.

Prior Comments and Recommendations

12. My procedures included a review of any prior year suggestions, recommendations, and/or comments and I have indicated below, the extent to which such matters have been resolved.

(1) Budget requirements: The District did not amend the budget in 2002. In the current year, the District did not even adopt a budget.

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.

This report is intended solely for the use of management of the Washington Parish Fire Protection District No. 9, the Legislative Auditor, State of Louisiana and the Washington Parish Government 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. However, this report is a matter of public record and its distribution is not limited.



William R. Durden
Certified Public Accountant

June 29, 2004

MANAGEMENT'S REPRESENTATIONS

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
 WASHINGTON PARISH GOVERNMENT
 Enon, Louisiana

Summary Schedule of Prior Year Findings
 For the Year Ended December 31, 2003

| <u>Ref. No.</u> | <u>Fiscal Year Finding Initially Occurred</u> | <u>Description of Finding</u> | <u>Corrective Action Taken Yes, No, Partially</u> | <u>Planned Corrective Action/Partial Corrective Action Taken</u> |
|---|---|---|---|--|
| Section I - Independent Accountant's Report on Applying Agreed-Upon Procedures: | | | | |
| 2002-1 | 2001 | Budget requirements not followed-The District did not adopt a budget. | no | The district will prepare and adopt a budget. They will also review the budget to actual at least three times per year and amend the budget if applicable. |

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 8
 WASHINGTON PARISH GOVERNMENT
 Enon, Louisiana

Corrective Action Plan for Current Year Findings
 For the Year Ended December 31, 2002

| Ref. No. | Fiscal Year Finding Initially Occurred | Description of Finding | Corrective Action Taken Yes, No, Partially | Planned Corrective Action/Partial Corrective Action Taken |
|---|---|---|---|--|
| Section 1 - Independent Accountant's Report on Applying Agreed-Upon Procedures: | | | | |
| 2003-1 | 2001 | Budget requirements not followed-The district did not adopt a budget. Therefore, the Budgetary Comparison Schedule was not presented. | no | The district will prepare and adopt a budget. They will also review the budget to actual at least three times per year and amend the budget if applicable. |
| 2003-2 | 2003 | The District did not make timely deposit. | yes | The district will make deposits as soon as funds are received. |

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

_____ (Date Transmitted)

Washington Parish Fire Protection District #8

Enon, Louisiana

William R. Durden, CPA

(Auditor)

In connection with your compilation of our financial statements as of [date] 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 regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

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

Yes [] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No []

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

Yes [] No []

Budgeting

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

Yes [] No []

Accounting and Reporting

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

Yes [] No []

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

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes [] No []

Meetings

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

Yes [] No []

Debt

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

Yes [] No []

Advances and Bonuses

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

Yes [] No []

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

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

| | | | |
|----------------------|-----------|----------------|------|
| <u>Michael Sharp</u> | Secretary | <u>3-10-04</u> | Date |
| <u>Michael Sharp</u> | Treasurer | <u>3-10-04</u> | Date |
| <u>Tim Magee</u> | President | <u>3-10-04</u> | Date |

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.