

REPORT

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana

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

WILLIAM R. DURDEN

Certified Public Accountant

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438

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 9-1-04

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, 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 # 9
Mt. Hermon, Louisiana

I have compiled the accompanying financial statements, of the Washington Parish Fire Protection District No. 9, 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 8 and 24 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 15, 2003

Management's Discussion and Analysis

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

Introduction

WASHINGTON PARISH FIRE PROTECTION DISTRICT No. 9 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 \$51,922 at December 31, 2003 and exceeded liabilities in the amount of \$17,371 (fund balance). Of this total, \$17,371 was unrestricted and available for use by the District for short-term operations.
- The total assets in the Debt Service Fund were \$97,928 at December 31, 2003 and exceeded liabilities in the amount of \$64,767. Of this total net assets, \$64,767 was restricted for long-term debt service.
- Revenues consist of ad valorem tax, state revenue sharing, grants, and insurance rebate. The overall revenues decreased 1.79% (\$1,260) for the fiscal year ending December 31, 2003. The fire district experienced 30% decrease in State revenue sharing of \$4,204. Other revenue sources increased \$2,744. The debt service revenue increased by 1.6%.
- Operating expenditures in the General Fund for December 31, 2003 increased \$15,568 over December 31, 2002. This increase is due to grants expenditures. Capital expenditures for the year were \$9,910. The increase for capital outlay consists of \$6,910 for safety equipments and \$3,000 for a used pumper.
- The District's long-term debt at December 31, 2003 is \$180,000. The long-term debt decreased by \$10,000, which was regular payment of principal on outstanding bonds.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, 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 addition 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 net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The statement of net assets and the statement of activities display information about the District as a whole. These statements distinguish between those activities of 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 #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

Financial Analysis

Since this is the first year that the Fire District No. 9 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. 9 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>\$ 129,904</u>	<u>\$ 149,850</u>	<u>\$ 19,946</u>	<u>15.35%</u>
Total Liabilities	<u>\$ 59,957</u>	<u>\$ 67,712</u>	<u>\$ 7,755</u>	<u>12.93%</u>
Fund Balance- Unreserved	14,848	17,371	2,523	14.52%
Fund Balance- Reserved	55,099	64,767	9,668	14.93%
Total Fund Balances	<u>69,947</u>	<u>82,138</u>	<u>12,191</u>	<u>17.43%</u>
Total Liabilities and Fund Balances	<u>\$ 129,904</u>	<u>\$ 149,850</u>	<u>19,946</u>	<u>15.35%</u>

The liabilities consist of deferred revenues and accounts payable of \$65,039 and \$2673, respectively.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

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

	<u>12/31/02</u>	<u>12/31/03</u>	Dollar Change	Percent Change
Total Revenues	\$ 100,628	\$ 99,854	\$ (774)	-0.77%
Expenditures:				
Operating Expenditures	41,934	56,603	14,669	34.98%
Debit Service Expenditures	21,202	21,150	(52)	-0.25%
Capital Outlay	31,081	9,910	(21,171)	-68.12%
Total Expenditures	<u>94,217</u>	<u>87,663</u>	<u>(6,554)</u>	-6.96%
Excess Revenue Over Expenditures	6,411	12,191	\$ 5,780	90.16%
Fund Balance, January 1, 2003	<u>\$ 63,536</u>	<u>\$ 69,947</u>	<u>\$ 6,411</u>	10.09%
Fund Balance , December 31, 2003	<u>\$ 69,947</u>	<u>\$ 82,138</u>	<u>\$ 12,191</u>	17.43%

Budgetary Highlight

The district does not have a formal policy on adopting a budget. The budget for year ending December 31, 2003, was adopted at the December 17, 2002 board meeting. The budget was amended at the district's regular meeting December 23, 2003. All appropriations lapse at year-end.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

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

	<u>Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Ad valorem taxes	\$ 30,000	\$ 30,630	\$ 29,449	\$ (1,181)
State revenue sharing	9,700	9,582	9,582	-
Insurance rebate	4,100	4,477	4,477	-
Grant revenues	-		19,162	
Other revenue	650	6,246	6,365	119
Total Revenues	<u>44,450</u>	<u>50,935</u>	<u>69,035</u>	<u>18,100</u>
EXPENDITURES:				
Fuel, gas, and oil	1,700	1,259	1,244	15
Dues and subscription	-	-	100	(100)
Workmen compensation	-	-	1,200	(1,200)
Repairs and maintenance	7,500	14,046	13,416	630
Supplies	-	7,829	18,035	(10,206)
Capital outlay	-	3,000	9,910	(6,910)
Insurance expense	8,500	10,040	8,616	1,423
Legal and accounting	2,300	2,625	2,625	-
Utilities	3,000	6,092	4,204	1,888
Office expense	-	-	1,427	(1,427)
Training expense	4,000	4,219	3,651	568
Miscellaneous	5,500	1,792	2,084	(292)
Total expenditures	<u>32,500</u>	<u>50,902</u>	<u>66,512</u>	<u>(15,611)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,950	33	2,523	2,489
FUND BALANCE, JANUARY 1, 2003	<u>\$ 14,848</u>	<u>\$ 14,848</u>	<u>\$ 14,848</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2003	<u>\$ 26,798</u>	<u>\$ 14,881</u>	<u>17,371</u>	<u>\$ 2,489</u>

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

Capital Assets

At the end of the fiscal year December 31, 2003, the Fire District No. 9 had \$287,866 (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.

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	\$ 164,649	\$ 167,649	\$ 3,000	1.82%
Land	1,000	1,000	-	0.00%
Fire house	56,028	56,028	-	0.00%
Fire equipment	212,206	219,116	6,910	3.26%
Office equipment	3,423	3,423	-	0.00%
subtotal	<u>437,306</u>	<u>447,216</u>	<u>9,910</u>	<u>2.27%</u>
Less Accumulated				
Depreciation	<u>(125,689)</u>	<u>(159,350)</u>	<u>(33,661)</u>	<u>26.78%</u>
Net Capital Assets	<u>\$ 311,617</u>	<u>\$ 287,866</u>	<u>\$ (23,751)</u>	<u>-7.62%</u>

The district purchased \$9,910 of capital assets.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

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 # 9 during 2003, follow:

	Balance 1/1/03	Additions	Deductions	Balance 12/31/03	Current Payment
Obligation Bonds	<u>\$190,000</u>		<u>\$ 10,000</u>	<u>\$ 180,000</u>	<u>\$ 10,000</u>

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 purchase a tank truck to replace the current tank truck. The district estimated that the cost is about \$22,000. The board is currently in negotiations to have a utility truck donated.

Officer

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
 WASHINGTON PARISH GOVERNMENT
 Mt. Hermon, Louisiana
 Statement of Net Assets
 December 31, 2003

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 73,455
Investments	5,000
Property tax receivables	65,039
Grant receivables	4,162
Prepaid insurance	2,069
Capital assets	
Land	1,000
Building, trucks, and equipment	446,216
Less accumulated depreciation	<u>(159,350)</u>
Capital assets , net	<u>287,866</u>
Total Assets	<u><u>437,591</u></u>
LIABILITIES:	
Accounts payable	2,548
Deferred Revenue	65,039
Long-term debt due in one year	10,000
Long-term debt due more than one year	170,000
Total Liabilities	<u><u>247,587</u></u>
Net Assets	
Invested in capital assets, net of related debt	107,866
Restricted for Debt	180,000
Unrestricted	(97,861)
Total Net Assets	<u><u>\$ 190,005</u></u>

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

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
 WASHINGTON PARISH GOVERNMENT
 Mt. Hermon, Louisiana
 STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2003

EXPENSES:

Fuel, gas, and oil	\$ 1,244
Dues and subscriptions	100
Workmen compensation	1,200
Repairs and maintenance	13,416
Supplies	18,035
Depreciation expense	33,661
Insurance expense	8,616
Legal and accounting	2,625
Utilities	4,202
Office expense	1,427
Training expense	3,651
Administrative expense	1,000
Interest expense	10,150
Miscellaneous	2,086
Total Program Expenses	<u>101,413</u>

Program Revenues:

Ad valorem taxes	58,436
State revenue sharing	9,582
Insurance rebate	4,477
Grant revenues	19,162
Interest earned	2,647
Other revenues	5,550
Total Program Revenues	<u>99,854</u>

Change in Net Assets (1,559)

Beginning Net Assets, JANUARY 1, 2003 \$ 191,654

Ending Net Assets, DECEMBER 31, 2003 \$ 190,095

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

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 9
 WASHINGTON PARISH GOVERNMENT
 Mt. Hermon, Louisiana
 Balance Sheet
 Governmental Funds
 December 31, 2003

	General Fund	Debt Service Fund	Total Governmental Funds	Reconciliation
ASSETS:				
Cash and cash equivalents	\$ 8,813	\$ 64,642	\$ 73,455	Total government funds balance \$ 82,138
Investments	5,000		5,000	Invested in
Receivables	31,878	33,161	65,039	capital assets 287,867
Grant receivables	4,162		4,162	
Prepaid Insurance	2,069	-	2,069	Total debt <u>\$ (180,000)</u>
Due from other funds		125	125	
TOTAL ASSETS	<u>\$ 51,922</u>	<u>\$ 97,928</u>	<u>\$ 149,850</u>	Net assets of government activities <u>\$ 190,005</u>
LIABILITIES AND EQUITY				
LIABILITIES:				
Accounts payable	\$ 2,548	-	\$ 2,548	
Deferred revenue	31,878	33,161	65,039	
Due to other funds	125	-	125	
Total Liabilities	<u>34,551</u>	<u>33,161</u>	<u>67,712</u>	
EQUITY				
Reserved for debt service	-	64,767	64,767	
Fund balance - unreserved	17,371	-	17,371	
Total Equity	<u>17,371</u>	<u>64,767</u>	<u>82,138</u>	
TOTAL LIABILITIES AND EQUITY	<u>\$ 51,922</u>	<u>\$ 97,928</u>	<u>\$ 149,850</u>	

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

STATEMENT D

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 9
 WASHINGTON PARISH GOVERNMENT
 Mt. Hermon, 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:				
Ad valorem taxes	\$ 29,449	\$ 28,986	\$ 58,435	Change in
State revenue sharing	9,582	-	9,582	fund balance \$ 12,191
Insurance rebate	4,477	-	4,477	Capital assets
Grant revenues	19,162	1,832	20,994	purchased 9,910
Interest earned	815	-	815	Principal
Other revenue	5,550	-	5,550	payments 10,000
Total Revenues	69,035	30,818	99,853	
Expenditures:				Depreciation
Fuel, gas, and oil	1,244	-	1,244	expense (33,660)
Dues and subscriptions	100	-	100	Change in
Workmen compensation	1,200	-	1,200	net assets \$ (1,559)
Repairs and maintenance	13,416	-	13,416	
Supplies	18,035	-	18,035	
Capital outlay	9,910	-	9,910	
Insurance expense	8,616	-	8,616	
Legal and accounting	2,625	-	2,625	
Utilities	4,202	-	4,202	
Office expense	1,427	-	1,427	
Training expense	3,651	-	3,651	
Administrative expense		1,000	1,000	
Debt service:				
Principal retirement		10,000	10,000	
Interest		10,150	10,150	
Miscellaneous	2,086		2,086	
Total expenditures	66,512	21,150	87,662	
Excess of revenue over (under) expenditures	2,523	9,668	12,191	
Fund balance, January 1, 2003	14,848	55,099	69,947	
Fund balance, December 31, 2003	\$ 17,371	\$ 64,767	\$ 82,138	

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

NOTES TO FINANCIAL STATEMENTS

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, 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 Nine was created by an ordinance adopted on July 24, 1995, by the Washington Parish Police Jury. 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 tanks, 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 53.7 square miles in the northwestern corner of Washington Parish. It serves approximately 1,800 people and businesses located within the boundaries of the District. The District operates out of three fire stations which are located as follows: Station No. 1 on Louisiana Highway 1055 east of intersection with Louisiana Highway 38, Station No. 2 on Martin Road northeast of intersection with Louisiana Highway 450 and Station No. 3 on Esco Alford Road. The District has no compensated employees and 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 #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, 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 # 9 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 #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, 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 # 9 as a whole. These statements distinguish between those activities of Fire District # 9 that are governmental and those that are considered business type activities.

Fund Financial Statements

During the year, the Fire District # 9 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 # 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, 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 #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, 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 budget for year ending December 31, 2003, was adopted at the December 17, 2002 board meeting. The budget was amended at the District's regular meeting December 23, 2003. All appropriations lapse at year-end.

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.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana

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

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

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

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana

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

2. LEVIED TAXES

On November 18, 1995, the District offered two tax propositions to the voters of the District for funding fire protection. A 16 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 1996 and ending with the year 2005 was passed by voters of the District. For the period covered by these financial statements, the millage was set at 16 mills.

Also, a proposition to issue general obligation bonds in the amount of \$225,000. to run 20 years for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including both real and personal property, 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 15.75 mills.

2003 Assessed value of taxable property	\$ 2,105,430
16.00 mill tax (less pension deduction)	<u>\$ 31,878</u>
15.75 mill tax (less pension deduction)	<u>\$ 33,161</u>

3. CASH AND CASH EQUIVALENTS

At December 31, 2003, the District has cash and cash equivalents totaling \$ 73,455 as follows:

Interest bearing demand deposits	\$ 73,455
Total cash and cash equivalents	<u>\$ 73,455</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
 WASHINGTON PARISH GOVERNMENT
 Mt. Hermon, Louisiana

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

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 \$78,455. in deposits (collected bank balances, including certificates of deposit). These deposits were secured from risk by \$78,455. of federal deposit insurance and \$26,850 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

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.

4. INVESTMENTS

At December 31, 2003, the District has investments totaling \$5,000 which consists of a certificate of deposit.

These certificates of deposit vary in maturity from 1 month to 6 months and bear interest at rates varying from 1.5% to 1.4%. The certificates of deposit are held by the same financial institution the District uses for its checking accounts and are included in the collected bank balances listed in note 3 regarding pledged collateral.

5. RECEIVABLES

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

Class of receivable	Ad valorem taxes	Grants
General Fund	\$ 31,878	\$ -
Debt Service Fund	33,161	
Forestry Grant		4,162
Total receivables	<u>\$ 65,039</u>	<u>\$ 4,162</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana

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

6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2003
Fire trucks	\$ 164,649	\$ 3,000	\$ -	\$ 167,649
Land	1,000			1,000
Fire house	56,028		-	56,028
Fire equipment	212,206	6,910	-	219,116
Office equipment	3,423			3,423
TOTAL	<u>\$ 437,306</u>	<u>\$ 9,910</u>	<u>\$ -</u>	<u>\$ 447,216</u>
Less Accumulated Depreciation				<u>159,350</u>
Governmental Capital Assets, net				<u>\$ 287,866</u>

7. 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	<u>\$ 190,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 180,000</u>
TOTAL	<u>\$ 190,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 180,000</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
 WASHINGTON PARISH GOVERNMENT
 Mt. Hermon, Louisiana

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

General obligation bonds are comprised of the following issue:

On November 18, 1995, the voters of Washington Parish Fire Protection District #9 passed a proposition for the issuance of \$225,000 of 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 giving 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 10.0% to 4.7% resulting in a net yield of 5.6591468% (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 of and 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 1.

The annual sinking fund requirements to amortize all bonds and/or certificates outstanding at December 31, 2002, including interest of \$74,457.50. are as follows:

Year Ending	General Obligation Bonds
2004	19,665
2005	19,170
2006	18,663
2007	18,140
2008 - 2016	178,820
	\$ 254,458

8. FIRE FIGHTING EQUIPMENT GRANT

The District was awarded a grant from the Office of Rural Development for the purpose of safety equipment. The agreement was with the Washington Parish Council; therefore, the funds of \$15,000 and the expenditures of \$15,000 were administrated by Parish Council.

The District was awarded Forestry Assistance Grant income of \$4,162. The grant reimbursed the District 50% of previously approved projects.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana

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

10. LITIGATION AND CLAIMS

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

12. RELATED PARTY TRANSACTIONS

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

13. SUBSEQUENT EVENTS

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

SUPPLEMENTAL INFORMATION

Schedule 1

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
 WASHINGTON PARISH GOVERNMENT
 Mt. Hermon, Louisiana
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2003

	Budget	Amended Budget	Actual	Variance
REVENUES:				
Ad valorem taxes	\$ 30,000	\$ 30,630	\$ 29,449	\$ (1,181)
State revenue sharing	9,700	9,582	9,582	
Insurance rebate	4,100	4,477	4,477	
Grant revenues	-	-	19,162	19,162
Interest earned	650	751	815	64
Other revenue	-	5,495	5,550	55
Total Revenues	<u>44,450</u>	<u>50,935</u>	<u>\$ 69,035</u>	<u>\$ 18,100</u>
EXPENDITURES:				
Fuel, gas, and oil	1,700	1,259	1,244	15
Dues and subscriptions			100	(100)
Workmen compensation			1,200	(1,200)
Repairs and maintenance	7,500	14,046	13,416	630
Supplies		7,829	18,035	(10,206)
Capital outlay		3,000	9,910	(6,910)
Insurance expense	8,500	10,040	8,616	1,424
Legal and accounting	2,300	2,625	2,625	-
Utilities	3,000	6,092	4,202	1,889
Office expense			1,427	(1,427)
Training expense	4,000	4,219	3,651	568
Miscellaneous	5500	1,792	2,086	(294)
Total expenditures	<u>32,500</u>	<u>50,902</u>	<u>66,512</u>	<u>(15,611)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	11,950	33	2,523	2,489
FUND BALANCE, JANUARY 1, 2003	<u>14,848</u>	<u>14,848</u>	<u>14,848</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2003	<u>\$ 26,798</u>	<u>\$ 14,881</u>	<u>\$ 17,371</u>	<u>\$ 2,489</u>

See accountant's compilation report.

Schedule 2

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, 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.

**ACCOUNTANT'S REPORT ON
AGREED UPON PROCEDURES**

WILLIAM R. DURDEN

Certified Public Accountant

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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 #9
Mt. Hermon, 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 #9, 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 not have any purchases that required the 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.

Management provided me with a copy of the original and amended budgets for the year ended December 31, 2003 as prepared by the board.

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

I traced the adoption of the original budget to the minutes of a meeting held December 17, 2002. I traced the adoption of an amended budget to the minutes of a meeting held on December 23, 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%.

I compared the revenues and expenditures of the amended budget to actual revenues and expenditures. Budgeted expenditures exceeded actual expenditures by 30.67%. The board, however, did not take any additional action to correct these variances.

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. 9 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) Bid law: District did not record acceptance of bids in the minutes in the prior year. During current year District did not have any purchases that required the public bid law.
 - (2) Budget requirements: The District amended the budget later in the year, but the current year budgeted expenditures exceeded actual expenses by more than 5%.

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 14, 2004

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
MT. HERMON, 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: Negative variance greater than 5%	Partially	We will review the budget to actual activity at least three times per year and amend the budget at time of each review. This should reduce the variance between actual/budget.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT**

**Corrective Action Plan for Current 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 1 - Independent Accountant's Report on Applying Agreed-Upon Procedures:				
2003-1	2001	Budget requirements not followed-line items with a variance greater than 5%.	Partially	The board did follow the procedures of reviewing the the budget and amending the budget at the time of review. The board did not included the Rural Development Grant which was administrated by the Washington Parish Council. We will in the future include all grants regardless who administrated the grants.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
_____ (Date Transmitted)

Washington Parish Fire Protection District # 9

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>Brevel T. Adams, Jr.</u>	Secretary	<u>12/22/03</u>	Date
<u>Brevel T. Adams, Jr.</u>	Treasurer	<u>12/23/03</u>	Date
<u>Guy Fortin</u>	President	<u>12/23/03</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.