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REPORT

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

**Component Unit Financial Statements
As of and for the Year
Ended December 31, 2009
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 8/4/10

William R. Durden

*Certified Public Accountant
Limited Liability Company*

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

**Component Unit Financial Statements
As of and for the Year Ended December 31, 2009
With Supplemental Information Schedule**

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William R. Durden

*Certified Public Accountant
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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

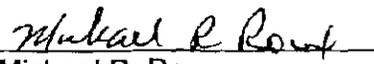
Board of Commissioners
Washington Parish Fire
Protection District No. 3
Franklinton, Louisiana

I have compiled the accompanying financial statements and supplemental information, contained in schedules I and II, as of and for the year ended December 31, 2009, for the Washington Parish Fire Protection District No. 3, a component unit of the Washington Parish Government, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

The management's discussion and analysis and budgetary comparison information, on pages 2 through 7 and 19 through 20 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.

I am not independent with respect to Washington Parish Fire Protection District No.3.


Michael R. Roux
Certified Public Accountant

Franklinton, Louisiana
JUNE 21, 2010

Management's Discussion and Analysis

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

Management's Discussion and Analysis

Introduction

Washington Parish Fire Protection District No. 3 is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standard Board Statement No. 34, Basic Financial Statements-Management's Discussion and Analysis for State and Local Governments (hereinafter referred to as GASB 34) and related standards.

Financial Highlights

- Total assets at December 31, 2009 were \$308,000 and exceeded liabilities of \$2,416 by \$305,584 (net assets). Of total net assets, \$117,029 may be used to meet the District's ongoing obligations to citizens and creditors. The balance of the total assets are invested in capital assets net of related debt (\$173,609) and restricted for protest taxes (\$14,946). The condensed balance sheet is presented on governmental funds, but the financial highlights are presented on government-wide statements.
- Revenues consist primarily of ad valorem tax and state revenue sharing. The total revenues for the fiscal year ending December 31, 2009 were \$88,510 representing an approximate decrease of 2.16 % from total revenues for fiscal year December 31, 2008 of \$90,460.
- The District's operating expenditures for the governmental fund were \$90,042, consisting of those expenditures resulting from the District's ongoing operations. The expenses increased by \$30,306 (50.73%) compared to \$59,736 for the fiscal year ended December 31, 2008. The increases were in the following categories election expenses \$2,693, capital outlay \$12,238, and supplies \$11,045. decreased. The government-wide statement of activities recorded depreciation expenses of \$13,092.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

Management's Discussion and Analysis

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to basic financial 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 broad 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 statement - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 disclosures 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 NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

Management's Discussion and Analysis

Financial Analysis

Statement of Net Assets

Included below is a condensed Statement of Net Assets for the District. The condensed format allows the reader to view the overall financial position of the District. An explanation of the components of this statement is included immediately following the table.

Condensed Balance Sheet

	December 31, 2008	December 31, 2009	Dollar Change	Percent Change
Assets				
Current and Other Assets	\$ 140,396	\$ 134,391	\$ (6,005)	-4.28%
Capital Assets, Net	169,089	173,609	4,520	2.67%
Total Assets	<u>\$ 309,485</u>	<u>\$ 308,000</u>	<u>\$ (1,485)</u>	<u>-0.48%</u>
Liabilities	<u>\$ 6,889</u>	<u>\$ 2,416</u>	<u>\$ 4,473</u>	<u>64.93%</u>
Net Assets				
Invested in Capital Assets	169,089	173,609	4,520	2.67%
Restricted for Protest Tax	14,946	14,946		0.00%
unrestricted	118,561	117,029	(1,532)	-1.31%
Total Net Assets	<u>\$ 302,596</u>	<u>\$ 305,584</u>	<u>\$ 2,988</u>	<u>\$ 0</u>

The liabilities are pension deductions.

See page 8 for more detailed Statement of Net Assets for the District.

Government-Wide review of the condensed Statement of Net Assets

The composition of net assets and the change in net assets over time serves as a useful indicator of a government's financial position. The District's assets at fiscal year-end exceed liabilities by \$305,584 (net assets). Of the District's net assets, \$14,946 is Restricted Net Assets for protest tax. The balance of net assets includes \$173,609 invested in Capital Assets and \$117,029 in Unrestricted Net Assets. These unrestricted assets are available to meet the ongoing needs of the District.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

Management's Discussion and Analysis

Condensed Statement of Activities

	December 31, 2008	December 31, 2009	Dollar Change	Percent Change
Program Expenses				
Public Safety	\$ 67,735	\$ 85,522	\$ 17,787	26.26%
General Revenues				
Ad Valorem Taxes	66,529	64,996	(1,533)	-2.30%
State Revenue Sharing	13,608	14,193	585	4.30%
Insurance Proceed	9,123	9,321	198	2.17%
Donation	-	-	-	100.00%
Sale of assets	1,200	-	(1,200)	100.00%
Total Program Revenues	<u>90,460</u>	<u>88,510</u>	<u>(1,950)</u>	<u>-2.16%</u>
Change in Net Assets	22,725	2,988	(19,737)	-86.85%
Net Assets, January 1, 2007	<u>279,871</u>	<u>302,596</u>	<u>22,725</u>	<u>8.12%</u>
Net Assets, December 31, 2007	<u>\$ 302,596</u>	<u>\$ 305,584</u>	<u>\$ 2,988</u>	<u>0.99%</u>

The major expenditure within the Statement of Activities is repairs \$21,691 (25.36% of total expenditures), followed by depreciation expense at \$13,092(15.31%) and supplies expense of \$12,663 (14.81%).

Ad valorem taxes are the primary source of revenue totaling \$64,996 (73.43% of total revenue) for the fiscal year ending, December total revenues).

Analysis of Fund Financial Statements 31, 2009. The next source of revenue is state revenue sharing of \$14,193 (16.04% of total revenues).

Governmental Fund

The focus of the District's governmental fund is to provide information on near-term inflows, outflows and balances of spend able resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resource available for spending at year-ended.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

Management's Discussion and Analysis

As of December 31, 2009, The District's governmental fund reported an ending balance of \$131,975 a decrease of \$1,532 in comparison to prior year. Approximately 88.68% of this total (\$117,029) constitutes unreserved fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is restricted for protest taxes (\$14,946).

Budgetary Highlight

The District does not have a formal policy on adopting a budget. The budget for year ending December 31, 2009, was adopted at the District's November 11, 2008, regular meeting. The budget was amended. All appropriations lapse at year-end.

Budget vs. Actual – Fiscal Year End December 31, 2009

	<u>Amended Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable Variance</u>
REVENUES:			
Ad valorem taxes	\$ 57,000	\$ 64,996	\$ 7,996
State revenue sharing	13,600	14,193	593
Sale of assets	500	-	(500)
Insurance rebated	9,123	9,321	198
Total Revenues	<u>80,223</u>	<u>88,510</u>	<u>8,287</u>
EXPENDITURES:			
Insurance	10,000	8,251	1,749
Advertising	959	2,461	(1,502)
Accounting	3,900	7,400	(3,500)
Election expenses	2,500	2,693	(193)
Building repairs and maintenance	20,000	21,691	(1,691)
Capital Outlay	18,000	17,612	388
Utilities	1,750	1,831	(81)
Office supplies	2,000	2,099	(99)
Supplies	14,000	12,663	1,337
Fuel, gas, and oil	5,000	4,547	453
Pension expenses	2,910	2,910	-
Other	5,000	5,884	(884)
Total expenditures	<u>86,019</u>	<u>90,042</u>	<u>(4,023)</u>
NET CHANGE IN FUND BALANCE	<u>(5,796)</u>	<u>(1,532)</u>	<u>4,264</u>
FUND BALANCE, JANUARY 1, 2009	<u>133,507</u>	<u>133,507</u>	<u>-</u>
FUND BALANCE, DECEMBER 1, 2009	<u>127,711</u>	<u>131,975</u>	<u>4,264</u>

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

Management's Discussion and Analysis

Capital Assets

At the end of the fiscal year December 31, 2009, the District had \$173,609 (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 Trucks	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 costs, of all assets acquired prior to 1989, have been valued using estimated historical cost.

Capital asset activity for the year ended December 31, 2009:

	January 1, 2009	December 31, 2009	Dollar Change	Percent Change
Fire trucks	\$ 182,272	\$ 182,272	\$ -	0.00%
Fire house	42,881	42,881	-	0.00%
Equipment	90,745	90,745	-	0.00%
Subtotal	<u>315,898</u>	<u>315,898</u>	-	0.00%
Less Accumulated				
Depreciation	<u>(146,809)</u>	<u>(159,901)</u>	<u>(13,092)</u>	8.92%
Depreciable Capital Assets	<u>169,089</u>	<u>155,997</u>	<u>(13,092)</u>	-7.74%
land	-	17,612	17,612	100%
net, capital assets	<u><u>169,089</u></u>	<u><u>173,609</u></u>	<u><u>4,520</u></u>	<u><u>2.67%</u></u>

The District purchased 2 acres of land for \$17,612 of capital assets as of December 31, 2009.

Future Economic Plans

The District management's approach is conservative. The board actively monitors revenues and expenses and evaluates the cost of all purchases and any proposed expansion projects.

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
Statement of Net Assets
December 31, 2009

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 55,971
Cash restricted	14,946
Receivables	55,538
Prepaid expenses	7,936
Capital assets	
Land	17,612
Fire trucks	182,272
Fire stations	42,881
Equipment	90,745
Less accumulated depreciation	<u>(159,901)</u>
Total Assets	<u>308,000</u>
 LIABILITIES:	
Pension Deduction	<u>2,416</u>
Total Liabilities	<u>2,416</u>
 Net Assets	
Invested in capital assets, net of related debt	173,608
Restricted for Protest Tax	14,946
Unrestricted	<u>117,030</u>
Total Net Assets	<u><u>\$ 305,584</u></u>

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

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2008

PROGRAM EXPENSES:

Insurance	8,251
Advertising	2,461
Accounting and legal	7,400
Election expenses	2,693
Repairs and maintenance	21,691
Depreciation expenses	13,092
Utilities	1,831
Office supplies	2,099
Supplies	12,663
Fuel, gas, and oil	4,547
Pension deduction	2,910
Other	5,884

TOTAL PROGRAM EXPENSES:

85,522

PROGRAM REVENUES:

Ad valorem taxes	\$ 64,996
State revenue sharing	14,193
Insurance rebate	9,321
Net Program Revenues	<u>88,510</u>

CHANGE IN NET ASSETS

2,988

BEGINNING NET ASSETS, JANUARY 1, 2009

302,596

ENDING NET ASSETS, DECEMBER 31, 2009

\$ 305,584

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

STATEMENT C

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
Balance Sheet
Governmental Funds
December 31, 2009**

	<u>General Fund</u>
ASSETS:	
Cash and cash equivalents	\$ 55,971
Cash restricted	14,946
Receivables	55,538
Prepaid expenses	7,936
TOTAL ASSETS	<u><u>\$ 134,391</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Pension deduction	\$ 2,416
Total Liabilities	<u>2,416</u>
 FUND BALANCE	
Fund balance - unreserved	117,029
Fund balance - reserved for protest tax	14,946
Total Fund Balances	<u>131,975</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 134,391</u></u>
 Reconciliation:	
Total	
governmental	
funds balances	\$ 131,975
Capital assets	<u>173,608</u>
Net assets	
of governmental	
activities	<u><u>\$ 305,583</u></u>

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

STATEMENT D

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
Statement of Revenues, Expenditures
and Changes In Fund Balance
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2008

	General
REVENUES:	
Ad valorem taxes	\$ 64,996
State revenue sharing	14,193
Insurance Proceeds	9,321
	88,510
EXPENDITURES:	
Insurance	8,251
Advetising	2,461
Accounting and legal	7,400
Election expenses	2,693
Repairs and maintenance	21,691
Capital outlay	17,612
Utilities	1,831
Office supplies	2,099
Supplies	12,663
Fuel, gas, and oil	4,547
Pension deduction	2,910
Other	5,884
Total expenditures	90,042
NET CHANGES IN FIXED ASSETS	(1,532)
FUND BALANCE, JANUARY 1, 2009	133,507
FUND BALANCE, DECEMBER 31, 2009	\$ 131,975
RECONCILIATION:	
Change in fund balance	\$ (1,532)
Capital assets purchased	17,612
	(13,092)
Current year depreciation expense	(13,092)
Change in net assets	\$ 2,988

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

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2009

INTRODUCTION

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

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

The District encompasses approximately 80 square miles in a portion of Wards 8 and 3 of Washington Parish, and serves approximately 2,600 people and several small businesses living and operating within the boundaries of the District. The District operates four fire stations which are located as follows: one in Warnerton, Louisiana, a second on LA Highway 38 in the Hayes Creek Community, a third on LA Highway 430 in Hackley, Louisiana and the fourth in Clifton just off Hwy 25, with a totally volunteer staff of firefighters.

1. SUMMARY SIGIFICANT ACCOUNTING POLICIES

A. MEASUREMENT FOCUS AND BASIS OF AQCCOUNTING AND FINANCIAL STATEMENT

The District's financial statements are prepared on the modified accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principle Board (APB) of the Committee on Accounting Procedures, Issued on or before November 1989, unless those pronouncements conflict or contradict with GASB pronouncements.

These financial statements are presented in conformance with GASB Statement No.34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements including a statement of net assets (or balance sheet), a statement of activities and change in net assets, and a statement of cash flows.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2009**

A. REPORTING ENTITY

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

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

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.
2. Organizations for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.
3. Organizations for which the reporting entity's 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.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2009**

C. FUND ACCOUNTING

The District maintains its financial records on a fund basis, whereby a self-balancing set of accounts (Governmental Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The general fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement 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 governmental-wide statements. Operating statements of governmental funds present increases (revenues), other financing sources and decreases (expenditures), and other financing uses are included in current assets.

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

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

The modified accrual basis of accounting is used by the governmental funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Effective for financial statements issued after June 30, 2000, GASB Statement 33, Accounting and Financial reporting for Nonexchange Transactions, defines a nonexchange transaction as a transaction whereby the government gives or receives value without directly receiving or giving equal value in return. Property taxes are imposed nonexchange revenues which result from assessments imposed on nongovernmental entities including individuals. Assets should be recognized when the government has an enforceable lien or legal claim to the resources, or the resources are received, whichever occurs first. Property tax revenues are recognized in the period in which the District has legal claim to the resources. 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 NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2009**

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. Property taxes collected by the taxing authority, but not remitted to the District at year-end, are accrued in revenue and included in property tax receivable.

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, 2009, was adopted at the District's November 11, 2008, regular meeting. The Budget was amended at meeting November 9, 2009, also the 2010 budget was approved. 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

Prepaid items consist of expenses, paid in the current year, that cover operations, during the next fiscal year.

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:

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2009**

Fire Stations	40 years
Fire Trucks and Other Trucks	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.

K. FUND BALANCE RESERVE

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

L. Designated Fund Balances

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

M. NET CAPITAL

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or indebtedness attributable to acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to unspent proceed in not included in the calculation of of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds.
- Restricted – this component of net assets consists of constraints placed on the asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments or constraints imposed by law though constitutional provisions or enabling legislation.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2009**

- unrestricted – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

NOTE-2 LEVIED TAXES

On November 20, 1999, the voters of Washington Parish passed a proposition approving the levy of a 10 year, 17 mill property tax for acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment for the District and paying the cost of obtaining water for fire protection purposes. This tax is for a period of 10 years, beginning with the year 2000 and ending with the year 2009.

2009 Assessed property value	8,186,210
Homestead Exemption	<u>(4,117,720)</u>
Taxable value	<u>4,068,490</u>
17 Mill assessment	
Total Tax	<u>\$ 69,164</u>

NOTE-3 CASH AND CASH EQUIVALENTS

At December 31, 2009, the District has cash and cash equivalents totaling \$70,917 as follows:

Non-interest bearing demand deposits	\$ 55,971
Restricted cash for protest tax	<u>14,946</u>
Total cash and cash equivalents	<u>\$ 70,917</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, 2009 the District had \$70,917 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of the federal deposit insurance.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2009**

NOTE-4 RECEIVABLES

The following is a summary of receivables at December 31, 2009:

Class of receivable	General Fund
Ad valorem taxes receivable	\$ 55,538

NOTE-5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
Fire trucks	\$ 182,272			\$ 182,272
Fire house	42,881			42,881
Equipment	90,745			90,745
TOTAL	315,898	-	-	315,898
Less Accumulated Depreciation	(146,809)	(13,092)		(159,901)
Total Depreciable assets	169,089	(13,092)	-	155,997
Land		17,612		17,612
Governmental Capital Assets, net	\$ 169,089	\$ 4,520	\$ -	\$ 173,609

NOTE 6 LITIGATION AND CLAIMS

As of December 31, 2009, the District was not involved in any outstanding litigation.

NOTE 7 RELATED PARTY TRANSACTION

There were no related party transactions.

NOTE 8 SUBSEQUENT EVENTS

There were no subsequent events.

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE I

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Ad valorem taxes	\$ 59,800	\$ 57,000	\$ 64,996	\$ 7,996
State revenue sharing	13,600	13,600	14,193	593
Insurance Proceeds		9,123	9,321	
Miscellaneous		500	-	(500)
Total Revenues	<u>73,400</u>	<u>80,223</u>	<u>88,510</u>	<u>8,089</u>
EXPENDITURES:				
Insurance	9,500	10,000	8,251	1,749
Advertising		959	2,461	(1,502)
Accounting & legal	3,700	3,900	7,400	(3,500)
Election expenses		2,500	2,693	(193)
Training		2,500	-	2,500
Repairs and maintenance	15,000	20,000	21,691	(1,691)
Capital outlay	18,000	18,000	17,612	388
Utilities	1,750	1,750	1,831	(81)
Office supplies	2,500	2,000	2,099	(99)
Supplies	3,000	14,000	12,663	1,337
Fuel, gas, and oil	8,000	5,000	4,547	453
Pension expense		2,910	2,910	-
Other	1,800	2,500	5,884	(3,384)
Total Expenditures	<u>63,250</u>	<u>86,019</u>	<u>90,042</u>	<u>(4,023)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,150	(5,796)	(1,532)	4,066
FUND BALANCE, JANUARY 1, 2009	<u>133,507</u>	<u>133,507</u>	<u>133,507</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2009	<u>\$ 143,657</u>	<u>\$ 127,711</u>	<u>\$ 131,975</u>	<u>4,264</u>

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

SUPPLEMENTAL INFORMATION

SCHEDULE II

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2009**

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.

	<u>Term</u>
Larry Duncan	12/31/2013
Roby Graves	12/31/2007
Malcolm James	12/31/2007
Mickey Sanford	12/31/2007
Justin Porche	12/31/2010

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