

00 00:00 411:50

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

REPORT

**WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
WASHINGTON PARISH GOVERNMENT
Ben's Ford, Louisiana**

**Component Unit Financial Statements
As of and for the Year
Ended December 31, 1998
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 audited, or reviewed, 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 8-11-99

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
WASHINGTON PARISH GOVERNMENT
Ben's Ford, Louisiana

Component Unit Financial Statements
As of and for the Year Ended December 31, 1998
With Supplemental Information Schedule

C O N T E N T S

	<u>Page No.</u>
TRANSMITTAL LETTER	1
AFFIDAVIT - SWORN ANNUAL FINANCIAL STATEMENTS	2
ACCOUNTANT'S COMPILATION REPORT	3
FINANCIAL STATEMENTS	
ALL FUND TYPES AND ACCOUNT GROUPS:	
	<u>Statement</u>
Balance Sheet	A
	4
GOVERNMENTAL FUNDS:	
Statement of Revenues, Expenditures and Changes in Fund Balance	B
	5
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	C
	6
NOTES TO FINANCIAL STATEMENTS	7 - 16
SUPPLEMENTAL INFORMATION	
Schedule of Compensation Paid to Board Members	17
ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES	18 - 21
MANAGEMENT'S CORRECTIVE ACTION PLAN	22
LOUISIANA ATTESTATION QUESTIONNAIRE	23 - 24

TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

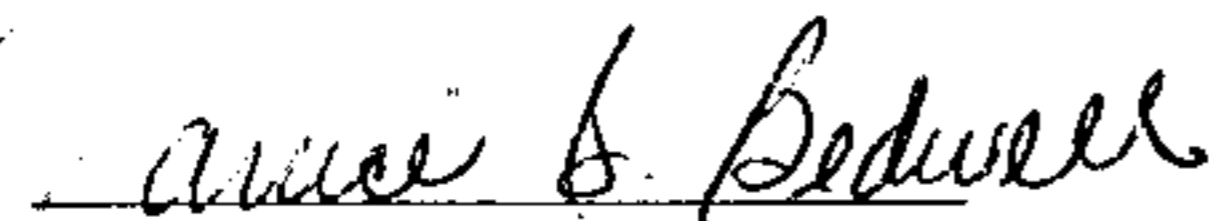
DECEMBER 31, 1998

Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Sir:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Washington Parish Fire Protections District # 7 as of and for the fiscal year ended December 31, 1998. The report includes all funds under the control and oversight of the district. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely

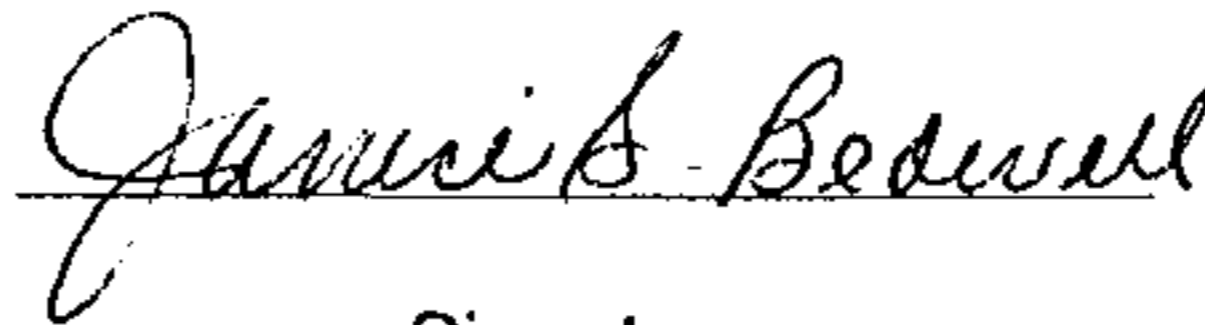

Officer

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
Ben's Ford, Louisiana

ANNUAL SWORN FINANCIAL STATEMENTS

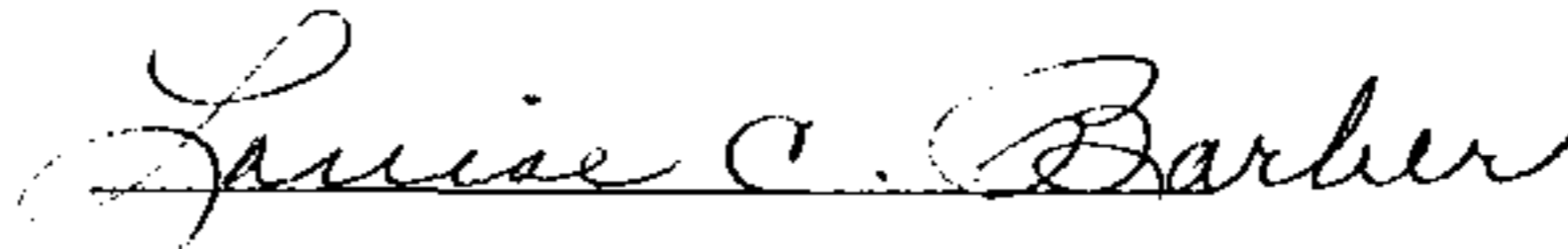
AFFIDAVIT

Personally came and appeared before the undersigned authority, Janice Lambert Bedwell, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Washington Parish Fire Protection District # 7 as of December 31, 1998, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.



Signature

Sworn to and subscribed before me, this 29th day of June, 1999.



NOTARY PUBLIC

Officer: Janice Lambert Bedwell

Address: 15094 HWY 1075
Bogalusa, LA 70427

Telephone: 504-746-1661

Durden and Alonzo

CERTIFIED PUBLIC ACCOUNTANTS

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(504) 839-4413
FAX (504) 839-4402

William R. Durden

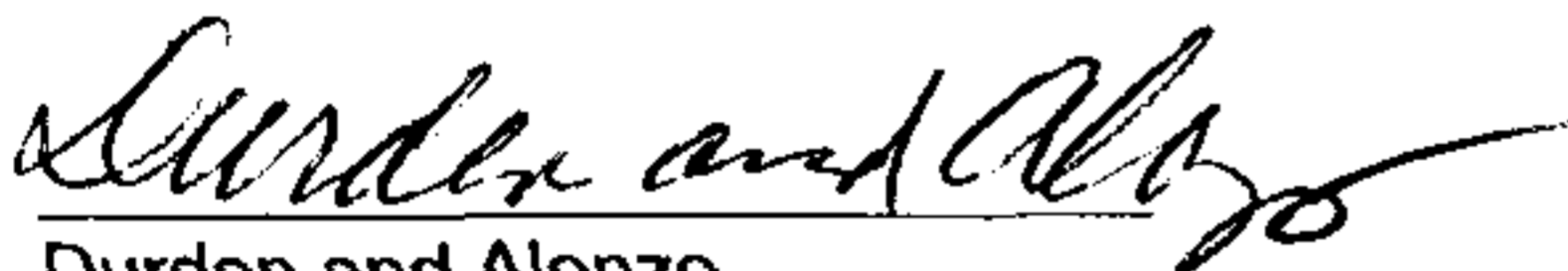
Donna W. Alonzo

Board of Commissioners
Washington Parish Fire
Protection District # 7
Ben's Ford, Louisiana

We have compiled the accompanying financial statements and supplemental information of the Washington Parish Fire Protection District # 7, a component unit of the Washington Parish Government, as of and for the year ended December 31, 1998, 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. We 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.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 29, 1999, on the results of our agreed-upon procedures.



Durden and Alonzo
Certified Public Accountants

June 28, 1999

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
 WASHINGTON PARISH GOVERNMENT
 Ben's Ford, Louisiana

All Fund Types and Account Groups

Balance Sheet
 December 31, 1998

	Governmental Funds				Account Groups			Total
	General Fund	Capital Projects Fund	Debt Service Fund	General Fixed Assets	General Long-Term Obligations	Memorandum Only		
ASSETS AND OTHER DEBITS								
ASSETS:								
Cash and cash equivalents	\$ 61,528	\$ 9,960	\$ 68,697	\$ -	\$ -	\$ -	\$ 140,185	
Investments	-	10,000	144,000	-	-	-	154,000	
Due from other funds	2,985	-	-	-	-	-	2,985	
Receivables	189,722	-	76,899	-	-	-	266,621	
Prepaid expense	4,990	-	-	-	-	-	4,990	
Land, buildings & equipment	-	-	-	1,394,391	-	-	1,394,391	
OTHER DEBITS:								
Amount available in Debt Service Fund	-	-	-	-	212,697	-	212,697	
Amount to be provided for compensated absences	-	-	-	-	1,118	-	1,118	
Amount to be provided for retirement of long-term obligations	-	-	-	-	790,548	-	790,548	
TOTAL ASSETS AND OTHER DEBITS	\$ 259,225	\$ 19,960	\$ 289,596	\$ 1,394,391	\$ 1,004,363	\$ -	\$ 2,967,535	

LIABILITIES, EQUITY, AND OTHER CREDITS

LIABILITIES:							
Accounts payable	\$ 1,538	-	-	-	-	-	\$ 1,538
Payroll taxes payable	1,575	-	-	-	-	-	1,575
Retirement contributions payable	261	-	-	-	-	-	261
Due to other funds	-	-	2,985	-	-	-	2,985
Compensated absences	-	-	-	-	1,118	-	1,118
Current maturities of bonds	-	-	-	-	80,351	-	80,351
Capital lease payable	-	-	-	-	77,894	-	77,894
Certificates of indebtedness	-	-	-	-	195,000	-	195,000
General obligation bonds	-	-	-	-	650,000	-	650,000
Total Liabilities	3,374	-	2,985	-	1,004,363	-	1,010,722
EQUITY AND OTHER CREDITS:							
Investment in general fixed assets	-	-	-	1,394,391	-	-	1,394,391
Fund balance - unreserved	255,851	19,960	286,611	-	-	-	562,422
Total Equity and Other Credits	255,851	19,960	286,611	1,394,391	-	-	1,956,813
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 259,225	\$ 19,960	\$ 289,596	\$ 1,394,391	\$ 1,004,363	\$ -	\$ 2,967,535

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

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
WASHINGTON PARISH GOVERNMENT
Ben's Ford, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 1998

	General	Debt Service	Capital Projects	Total
REVENUES:				
Ad valorem taxes	\$ 186,640	\$ 75,650	\$ -	\$ 262,290
State revenue sharing	23,505	-	-	23,505
Contributions	8,635	-	-	8,635
Interest earned	3,792	8,132	5,219	17,143
Other revenues	14,037	-	-	14,037
Total Revenues	<u>236,609</u>	<u>83,782</u>	<u>5,219</u>	<u>325,610</u>
EXPENDITURES:				
Salaries, taxes, retirement	42,497	-	-	42,497
Fuel, gas, and oil	5,009	-	-	5,009
Insurance	29,063	-	-	29,063
Repairs and maintenance	19,732	-	-	19,732
Supplies	8,204	-	-	8,204
Capital Outlay	162,415	-	91,312	253,727
Legal and accounting	2,625	-	-	2,625
Utilities	10,147	-	-	10,147
Office expense	3,986	-	-	3,986
Debt service:				
Principal retirement	-	75,154	-	75,154
Interest	-	57,468	-	57,468
Other	8,233	655	57	8,945
Total expenditures	<u>291,911</u>	<u>133,277</u>	<u>91,369</u>	<u>516,557</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(55,302)	(49,495)	(86,150)	(190,947)
OTHER SOURCES (USES):				
Fund transfers	(64,193)	64,193	-	-
Proceeds from capital lease	123,400	-	-	123,400
FUND BALANCE, JANUARY 1, 1998	<u>251,946</u>	<u>271,913</u>	<u>106,110</u>	<u>629,969</u>
FUND BALANCE, DECEMBER 31, 1998	<u>\$ 255,851</u>	<u>\$ 286,611</u>	<u>\$ 19,960</u>	<u>\$ 562,422</u>

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

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
 WASHINGTON PARISH GOVERNMENT
 Ben's Ford, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures
 and Changes in Fund Balance -
 Budget and Actual - General Fund
 For the Year Ended December 31, 1998

	General Fund			Debt Service Fund		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Ad valorem taxes	\$ 192,523	\$ 186,640	\$ (5,883)	\$ 78,035	\$ 75,650	\$ (2,385)
State revenue sharing	10,000	23,505	13,505	-	-	-
Contributions	-	8,635	8,635	-	-	-
Interest earned	3,000	3,792	792	3,000	8,132	5,132
Other revenue	-	14,037	14,037	-	-	-
Total Revenues	205,523	236,609	31,086	81,035	83,782	2,747
EXPENDITURES:						
Salaries, taxes, retirement	33,600	42,497	(8,897)	-	-	-
Fuel, gas, and oil	7,000	5,009	1,991	-	-	-
Insurance	28,351	29,063	(712)	-	-	-
Repairs and maintenance	15,400	19,732	(4,332)	-	-	-
Supplies	13,000	8,204	4,796	-	-	-
Capital Outlay	40,506	162,415	(121,909)	-	-	-
Legal and accounting	1,900	2,625	(725)	-	-	-
Utilities	10,000	10,147	(147)	-	-	-
Office expense	7,800	3,986	3,814	-	-	-
Debt service:						
Principal retirement	-	-	-	28,000	75,154	(47,154)
Interest	-	-	-	11,226	57,468	(46,242)
Other	8,739	8,233	506	-	655	(655)
Total expenditures	166,296	291,911	(125,615)	39,226	133,277	(94,051)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 39,227	(55,302)	\$ (94,529)	\$ 41,809	(49,495)	\$ (91,304)
OTHER SOURCES (USES):						
Fund transfers		(64,193)			64,193	
Proceeds from capital lease		123,400			-	
FUND BALANCE, JANUARY 1, 1998		251,946			271,913	
FUND BALANCE, DECEMBER 31, 1998		\$ 255,851			\$ 286,611	

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

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
WASHINGTON PARISH GOVERNMENT
Ben's Ford, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 1998

INTRODUCTION

The 1991 Louisiana Legislature, pursuant to Louisiana Revised statute 40:1496.12 F, created the Washington Parish Fire Protection District Number Seven. 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 125 square miles in the southeastern corner of Washington Parish, outside of the city limits of Bogalusa, Louisiana. It serves approximately 5,479 people and businesses located within the boundaries of the district. The district operates out of five fire stations which are located as follows: Station number 1 is located in the Isabel community, station number 2, the Central Station, is located in the Ben's Ford community, station number 3 is located in Rio, station 4, located on Highway 10 just west of Bogalusa and station 5, located on Highway 439 at Lee Road are still under construction. The District employs a full-time fire chief and two part-time fire fighters and a part-time clerk, but mainly operates with a volunteer staff of firefighters.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Washington Parish Fire Protection District # 7 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
WASHINGTON PARISH GOVERNMENT
Ben's Ford, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 1998

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Washington Parish Police Jury is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government, police jury, (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 Police Jury 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 police jury 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 police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a voting majority of the district's governing board and the police jury 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 police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
WASHINGTON PARISH GOVERNMENT
Ben's Ford, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 1998

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. 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.
- b. Debt Service Fund – the debt service fund of the District accounts for the matured portion of and the payment of principal and interest of liabilities of the General Long-term Debt Account Group.
- c. Capital Projects Fund - the capital projects fund of the District accounts for the distribution of restricted funds that arose from the issuance of general obligation bonds and from the issuance of certificates of indebtedness, for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including both real and personal property.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The 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. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recorded when they are determined to be both available and measurable. Donations, fund raising net revenues, membership dues, and state revenue sharing is recorded when received. Ad valorem taxes become a lien against the assessed property on assessment date or levy date, but the actual amount paid to the governmental unit may not be collected until a later period. Generally, the ad valorem tax must be collected within sixty days after the end of the period in which the ad valorem tax revenue was recognized.

Expenditures

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

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
WASHINGTON PARISH GOVERNMENT
Ben's Ford, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 1998

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). The proceeds from the issuance of long-term debt are not considered revenue but are classified as other sources of financing.

E. BUDGETS

The District adopted its budget for the year ended December 31, 1998, at a regular meeting held December 8, 1997.

F. ENCUMBRANCES

The District does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. PREPAID ITEMS

The District uses the allocation method of recording prepaid expenses.

I. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed and the related assets are reported in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost when historical cost is not available. Donated assets are valued at their estimated fair market value at the date of donation.

J. COMPENSATED ABSENCES

The District has the following policy relating to vacation and sick leave for its employees:

1. Vacation Leave - The fire chief is given fifteen days per year which may accumulate up to sixty days. Any paid fire fighter is given five days per year and may accumulate up to sixty days.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
WASHINGTON PARISH GOVERNMENT
Ben's Ford, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 1998

2. Sick Leave - The fire chief and any paid fire fighter are given one day per month and may accumulate with no limitation, however, the employee is not paid accumulated sick leave upon termination.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

K. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

L. FUND EQUITY

Reserves

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

Designated Fund Balances

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

M. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

On April 3, 1993, the District offered two tax propositions to the voters of the district for funding fire protection. A 13 mill tax for the purpose of acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment in and for the District for a period of 10 years beginning 1993 and ending with the year 2002 was passed by voters of the district. For the period covered by these financial statements, the millage was set at 12.27 mills.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
 WASHINGTON PARISH GOVERNMENT
 Ben's Ford, Louisiana

Notes to the Financial Statements (Continued)
 For the Year Ended December 31, 1998

Also, a proposition to issue general obligation bonds in the amount of \$800,000. to run 20 years for the purpose of acquiring, constructing and improving fire protection facilities and equipment, including fire trucks, for 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 7 mills.

On July 3, 1996, the District offered a tax proposition to the voters of the district for fire protection. A 5 mill tax for the purpose of acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment in and for the district, including the cost of obtaining water for fire protection purposes and paying charges for fire hydrant rentals and service for a period of 10 years beginning with the year 1996 and ending with the year 2005 was passed by the voters of the district. For the period covered by these financial statements, the millage was set at 5 mills.

1998 Assessed value of taxable property	\$ 11,216,520
12.27 mill tax (less pension deduction)	<u>\$ 133,119</u>
5.00 mill tax (less pension deduction)	<u>\$ 54,246</u>
7.00 mill tax (less pension deduction)	<u>\$ 75,944</u>

3. CASH AND CASH EQUIVALENTS

At December 31, 1998, the District has cash and cash equivalents totaling \$294,185., as follows:

Demand deposits	\$ 12,793.
Interest-bearing demand deposits	127,392.
Time deposits	<u>154,000</u>
Total cash and cash equivalents	<u>\$ 294,185.</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.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
WASHINGTON PARISH GOVERNMENT
Ben's Ford, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 1998

At December 31, 1998, the District had \$323,935. in deposits (collected bank balances). These deposits were secured from risk by \$100,000. of the federal deposit insurance and \$311,035. 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, 1998, the District has investments totaling \$154,000. as follows:

Certificates of Deposit	\$ <u>154,000</u>
-------------------------	-------------------

5. RECEIVABLES

The following is a summary of receivables at December 31, 1998:

<u>Class of receivable</u>	<u>Ad valorem Taxes</u>
General Fund	\$ 189,722.
Debt Service Fund	<u>76,899.</u>
 Total Receivables	 \$ <u>266,621.</u>

6. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1998	Additions	Deductions	Balance December 31, 1998
Fire trucks	\$ 590,534	\$ 149,985	\$ 4,500	\$ 736,019
Land	17,000	1,000	-	18,000
Buildings	366,125	91,312	-	457,437
Fire equipment	126,103	10,098	-	136,201
Office equipment	24,682	6,832	-	31,514
Other equipment	<u>15,220</u>	<u>-</u>	<u>-</u>	<u>15,220</u>
 TOTAL	 <u>\$ 1,139,664</u>	 <u>\$ 259,227</u>	 <u>\$ 4,500</u>	 <u>\$ 1,394,391</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
WASHINGTON PARISH GOVERNMENT
Ben's Ford, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 1998

7. PENSION PLAN

Plan description

Substantially all paid full-time firefighters of the District are members of the Louisiana Firefighters Retirement System, a cost-sharing, multiple-employer defined pension plan administered by a separate board of trustees.

Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, LA 70804, or by calling (504) 925-4060.

Funding Policy

Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by state statute, as provided by actuarial valuation and are subject to change each year based on results of the valuation for the prior fiscal year. The District's contributions to the System for the year ended December 31, 1998, were \$1,855., equal to the required contribution for each year.

8. COMPENSATED ABSENCES

At December 31, 1998, employees of the district have accumulated and vested \$1,118. of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is recorded within the general long-term obligations account group.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
WASHINGTON PARISH GOVERNMENT
Ben's Ford, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 1998

8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

	Balance January 1, 1998	Additions	Deductions	Balance December 31, 1998
General Obligation Bonds	\$ 705,000		\$ 25,000	\$ 680,000
Certificates of Indebtedness	250,000		28,000	222,000
Capital lease payable	-	123,400	22,155	101,245
TOTAL	\$ 955,000	\$ 123,400	\$ 22,155	\$ 1,003,245

General long term obligations are comprised of the following issues:

On April 3, 1993, the voters of Washington Parish Fire Protection District # 7 passed a proposition for the issuance of \$800,000. general obligation bonds for the purpose of acquiring, constructing, and improving fire protection facilities and equipment, including fire trucks for 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 9.0% to 4.4% resulting in a net yield of 5.478276% (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 1st.

On June 5, 1997, the district issued certificates of indebtedness to Parish National Bank in the amount of \$250,000. for the purpose of constructing a central fire station and three other buildings. These bonds will be repaid using funds received from the five mill ad valorem tax that was passed by the voters in 1996.

On June 17 1998, the district entered into a Capital lease agreement with Consolidated Financial Resources, Inc., for the purchase of a 1978 Sutphen Ladder Fire Truck (Pumper/Tanker). The agreement requires five annual payments, due January 30 each year, in the amount of \$28,818.17. The interest rate for the five year period is fixed at 5.4%. The district shall have title to the property during the term of the agreement, except upon an event of default, in which all title, rights and/or interest immediately return to the Lessor. Purchase price of the truck at the end of the lease term is \$1.00. The agreement contains a "nonappropriation" clause, allowing the district to terminate the lease at the end of any fiscal year for which appropriations for funds for lease payments for the succeeding year cannot be obtained.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
 WASHINGTON PARISH GOVERNMENT
 Ben's Ford, Louisiana

Notes to the Financial Statements (Continued)
 For the Year Ended December 31, 1998

The annual requirements to amortize all bonds and/or certificates outstanding at December 31, 1998, including interest of \$378,596. are as follows:

<u>Year Ending</u>	<u>General Obligation Bonds</u>	<u>Certificates of Indebtedness</u>	<u>Capital Lease</u>	<u>Total</u>
1999	\$ 65,095	\$ 39,302	\$ 28,818	\$ 133,215
2000	63,768	38,679	28,818	131,265
2001	67,295	38,968	28,818	135,081
2002	65,650	39,139	28,819	133,608
2003	63,935	38,222	-	102,157
2004-2013	<u>670,210</u>	<u>76,306</u>	<u>-</u>	<u>746,516</u>
	<u>\$ 995,953</u>	<u>\$ 270,616</u>	<u>\$ 115,273</u>	<u>\$ 1,381,842</u>

10. LITIGATION AND CLAIMS

As of December 31, 1998, there were no litigations or claims against the District.

11. INTERGOVERNMENTAL TRANSACTIONS

Sidney Warner, Sr., President of the Washington Parish Fire Protection District #7 is also the appointed director of the Office of Emergency Preparedness for Washington Parish. The Washington Parish Office of Emergency Preparedness (WPOEP) and the District jointly purchased a Panasonic copier costing \$5815.00. The District paid two-thirds of the cost and WPOEP paid one-third of the cost. The state Office of Emergency Preparedness reimburses District #7 for salaries, supplies and utilities used by the Washington Parish Office of Emergency Preparedness. For the year ended December 31, 1998, the reimbursement to Washington Parish Fire Protection District #7 from the state Office of Emergency Preparedness was \$11,057.90.

12. RELATED PARTY TRANSACTIONS

One of the district's board members, Bobby Joe Kennedy, is employed by NAPA Auto Parts in Franklinton, LA. The District purchased parts and supplies amounting to \$4179.00 from this vendor during the year ended December 31, 1998.

13. YEAR 2000

The district has tested its computer hardware and software for year 2000 compliance and these systems are ready for the January 1, 2000 rollover. The emergency equipment has not been tested for any imbedded chips or time mechanisms that may be adversely affected by the date January 1, 2000. The district does have insurance coverage providing liability coverage in the event of equipment failure due to the year 2 K problems. The district uses the 911 system for dispatch purposes which is the responsibility of Bell South Communications. At this time, they expect this system to be Y2K compliant.

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 7
WASHINGTON PARISH GOVERNMENT
Ben's Ford, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 1998

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

Durden and Alongo

CERTIFIED PUBLIC ACCOUNTANTS

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(504) 839-4413
FAX (504) 839-4402

William R. Durden

Donna W. Alongo

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Commissioners
Washington Parish Fire Protection District #7
Ben's Ford, LA 70427

Gentlemen:

We 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 #7, 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, 1998, 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, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

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

There was one expenditure made during the year for material and supplies exceeding \$15,000. , for the purchase of a Stuphen Aerial Platform and ladder truck from Alpine Apparatus for \$145,485. We examined documentation which indicated that the purchase was properly advertised and accepted in accordance with the provisions of 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 us with the required list of immediate family members of Board members and their outside business interests.

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

We obtained, from the year end payroll reports filed by the district with the Internal Revenue service, a list of the District's compensated employees.

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.

None of the employees included on the list employees obtained in agreed upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2). This examination did reveal a relationship existing between one of the board members and a vendor the district purchases vehicle parts and supplies from. Mr. Bobby Joe Kennedy, board member, is employed as Auto parts Manager at NAPA Auto Parts in Franklinton, LA. The District purchased parts and supplies amounting to \$4179.00 from the NAPA Auto Parts store in Franklinton, LA during the year ended 12/31/98. This relationship appears to be in violation of Louisiana Revised Statute 42:1111 c(2)(d).

Budgeting

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

Management provided us with a copy of the original budget, there were no amendments.

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

We traced the adoption of the original budget to the minutes of a meeting held December 8, 1997. No amendments were made to the budget during the year.

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%.

We compared the revenues and expenditures of the original budget to actual revenues and expenditures. Actual expenditures and net operating expenditures over revenues for the year exceeded budgeted amounts by more than 5% or more, requiring amendment of the budget, however it was not amended.

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:

We 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 for 4 of the six disbursements, for the other two, proper documentation could not be located. One of the disbursements was a contracted, bidded transaction, of which was bid properly, however we could not locate the invoice submitted for payment.

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

Five of the six payments we examined were coded to the correct general ledger accounts and proper fund, however for the other disbursement, we could not locate documentation to determine if it was properly recorded.

- (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, except for one disbursement payable to HOB Materials, which documentation could not be located.

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. 7 publishes, as a public notice, information regarding the time, place, date and

special agenda items in the districts' local daily newspaper, on the Sunday preceding the Monday meeting. The meeting notice, with full agenda, is given to board members and to anyone attending the meeting.

Debt

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

We examined all bank deposits on the bank statement for each account for the period under examination, there were no 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.

We scanned cash disbursement records, payroll records and minutes for evidence of any payments which may constitute bonuses, advances, or gifts to compensated or volunteer firemen, none were noted.

Prior Comments and Recommendations

12. Our procedures will include a review of any prior year suggestions, recommendations, and/or comments and will indicate the extent to which such matters have been resolved.

- a. Public Bid Law was not followed, resolved. Budget Law and Accounting and Reporting, unresolved.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our 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. 7, the Legislative Auditor, State of Louisiana and the Washington Parish Police Jury 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.



Durden and Alonzo
Certified Public Accountants
June 29, 1999

MANAGEMENT'S REPRESENTATIONS

WASHINGTON PARISH FIRE PROTECTION DISTRICT #7
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended December 31, 1998

SECTION I - INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

1998-1 Finding: There appears to be a violation of the Code of Ethics for Public Officials, Louisiana Revised Statute 42:1111c(2)(d) with the relationship of Board Member Bobby Joe Kennedy and his employment at NAPA Auto Parts and the Districts' purchases of parts and supplies from that business.

Recommendation: Cease this business relationship.

Management's response: Management will discontinue this business relationship.

1997-2 Finding: The District's General Fund expenditures and net operating expenditures over revenues were more than 5% in excess of amounts budgeted however, they did not amend their budget for 1998.

Recommendation: The District should review, periodically, a comparison of budget amounts to actual revenues and expenditures as a budgetary control and to determine if the original budget should be amended.

Management's response: Currently, the board is given a monthly comparison of actual to budget amounts. This procedure will continue throughout the year and if variances become unfavorable in excess of 5%, the budget will be amended.

1997-3 Finding: Two of the cash disbursement items we tested did not have proper documentation.

Recommendation: All expenditures of public money are required to have proper approval by the governing body and adequate documentation to verify the nature and validity of the expenditure. We recommend that this regulation be followed for all expenditures.

Management's response: Board members will insure that all expenditures presented for payment have valid documentation before the disbursement is approved and the check signed.


Janice Lambert Bedwell, Treasurer
Washington Parish Fire Protection District #7

June 30, 1999

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

FROM: Washington Parish Fire
Protection District No. 7
Ben's Ford, Louisiana

TO: DURDEN AND ALONZO, CPAS

In connection with your compilation of our financial statements as of December 31, 1998, 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.

_____	Secretary	_____	Date
<i>James S. Bedwell</i>	Treasurer	<i>6-30-99</i>	Date
_____	President	_____	Date