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REPORT

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH POLICE JURY
Pine, 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 ~~01/21/99~~

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH POLICE JURY
Pine, 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		2
FINANCIAL STATEMENTS		
ALL FUND TYPES AND ACCOUNT GROUPS:		
	<u>Statement</u>	
Balance Sheet	A	3
GOVERNMENTAL FUNDS:		
Statement of Revenues, Expenditures and Changes in Fund Balance	B	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	C	5
NOTES TO FINANCIAL STATEMENTS		6 - 12
SUPPLEMENTAL INFORMATION		
Schedule of Compensation Paid to Board Members		13

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 # 4 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



Darin K. Seal
Treasurer

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 4
PINE, LOUISIANA

ANNUAL SWORN FINANCIAL STATEMENTS
AND CERTIFICATION OF REVENUES \$50,000 OR LESS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998
WITH APPROPRIATE SUPPLEMENTAL INFORMATION

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues \$50,000 or less, is required by Louisiana Revised Statute 24:513 (l) (1) (c) (i).

AFFIDAVIT

Personally came and appeared before the undersigned authority, Darin K. Seal, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Washington Parish Fire Protection District # 4 as of December 31, 1998, and the results of the operations for the year ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Darin K. Seal, who, duly sworn, deposes and says that the Washington Parish Fire Protection District # 4 received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 1998, and accordingly, is not required to have an audit for the previously mentioned fiscal year end.

Darin K. Seal

Signature

Sworn to and subscribed before me, this 8th day of February, 1999.

Laurie C. Barber

Notary Public

Officer Darin Seal
Address 53077 Hwy 62
Franklin, LA 70438
Telephone # 504-848-2228

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH POLICE JURY
Pine, Louisiana

All Fund Types and Account Groups

Balance Sheet
December 31, 1998

	Governmental Funds		Account Groups		Total
	General Fund	Debt Service Fund	General Fixed Assets	General Long-Term Obligations	
ASSETS AND OTHER DEBITS					
ASSETS:					
Cash and cash equivalents	\$ 16,354	-	\$ -	-	\$ 16,354
Receivables	24,062	-	-	-	24,062
Prepaid expenses	1,187	-	-	-	1,187
Land, buildings & equipment	-	-	135,409	-	135,409
OTHER DEBITS:					
Amount available in Debt Service Fund	-	-	-	0	
Amount to be provided for retirement of long-term obligations	-	-	-	60,764	60,764
TOTAL ASSETS AND OTHER DEBITS	\$ 41,603	\$ -	\$ 135,409	\$ 60,764	\$ 237,776
LIABILITIES, EQUITY, AND OTHER CREDITS					
LIABILITIES:					
Accounts payable	\$ 49	-	\$ -	-	\$ 49
Note payable - Citizens Savings Bank	-	-	-	60,764	60,764
Total Liabilities	49	-	-	60,764	60,813
EQUITY AND OTHER CREDITS:					
Investment in general fixed assets	-	-	135,409	-	135,409
Fund balance - unreserved	30,628	-	-	-	30,628
Fund balance - reserved	10,926	-	-	-	10,926
Total Equity and Other Credits	41,554	-	135,409	-	176,963
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 41,603	\$ -	\$ 135,409	\$ 60,764	\$ 237,776

See the accompanying notes to the financial statements

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
 WASHINGTON PARISH POLICE JURY
 Pine, Louisiana

GOVERNMENTAL FUNDS

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

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES:			
Ad valorem taxes	\$ 23,762	\$ -	\$ 23,762
State revenue sharing	10,922	-	10,922
Other revenues:			
Donations	50	-	50
Interest earned	212	-	212
Miscellaneous	125	-	125
Fire reports	70	-	70
Total Revenues	<u>35,141</u>	<u>-</u>	<u>35,141</u>
EXPENDITURES:			
Insurance	5,050	-	5,050
Repairs and maintenance	4,076	-	4,076
Capital Outlay	3,824	-	3,824
Utilities	413	-	413
Supplies	814	-	814
Telephone	517	-	517
Fuel, gas, and oil	790	-	790
Debt service:			
Principal retirement	-	6,028	6,028
Interest	-	4,899	4,899
Other	609	-	609
Total expenditures	<u>16,093</u>	<u>10,927</u>	<u>27,020</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	19,048	(10,927)	8,121
FUND TRANSFERS	<u>(10,927)</u>	<u>10,927</u>	<u>-</u>
EXCESS OF REVENUES AND FUND TRANSFERS	8,121	-	8,121
FUND BALANCE, JANUARY 1, 1998	<u>33,433</u>	<u>-</u>	<u>33,433</u>
FUND BALANCE, DECEMBER 31, 1998	<u>\$ 41,554</u>	<u>\$ -</u>	<u>\$ 41,554</u>

See accompanying notes to the financial statements

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH POLICE JURY
Pine, Louisiana

GOVERNMENTAL FUNDS

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Ad valorem taxes	\$ 23,800	\$ 23,762	\$ (38)
State revenue sharing	6,600	10,922	4,322
Other revenues:			
Donations	-	50	50
Interest earned	200	212	12
Miscellaneous	-	125	125
Fire reports	100	70	(30)
Total Revenues	<u>30,700</u>	<u>35,141</u>	<u>4,441</u>
EXPENDITURES:			
Insurance	5,025	5,050	(25)
Repairs and maintenance	5,000	4,076	924
Capital Outlay	6,000	3,824	2,176
Utilities	500	413	87
Supplies	1,500	814	686
Telephone	-	517	(517)
Fuel, gas, and oil	1,000	790	210
Other	749	609	140
Total expenditures	<u>19,774</u>	<u>16,093</u>	<u>3,681</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,926	19,048	8,122
FUND TRANSFERS	<u>(10,926)</u>	<u>(10,927)</u>	<u>(1)</u>
EXCESS OF REVENUES AND FUND TRANSFERS	-	8,121	8,121
FUND BALANCE, JANUARY 1, 1998	<u>33,433</u>	<u>33,433</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 1998	<u>\$ 33,433</u>	<u>\$ 41,554</u>	<u>\$ 8,121</u>

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH POLICE JURY
Pine, Louisiana

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

INTRODUCTION

As provided by Louisiana Revised Statute 40:1496.12E, the Fire Protection District Number Four of Washington Parish was created. 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 encompasses approximately 100 square miles in a portion of Wards 5, 7, and 8 of Washington Parish. It serves approximately 3,500 people and several small businesses living and operating in this district. It operates two fire houses, one in Pine, Louisiana, and a second in Stateline, Louisiana, with a volunteer staff of fire fighters.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Washington Parish Fire Protection District #4 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 #4
WASHINGTON PARISH POLICE JURY
Pine, 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 Police Jury, 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.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH POLICE JURY
Pine, Louisiana

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

C. FUNDING 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.

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.

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 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

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH POLICE JURY
Pine, Louisiana

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

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.

E. BUDGETS

The District does not have a formal policy on adopting a budget. The budget for year ending December 31, 1998, was adopted at the District's December 1997 regular meeting. *All appropriations lapse at year-end.*

F. ENCUMBRANCES

The District does not use encumbrance accounting.

G. 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.

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. Donated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1989 have been valued using estimated historical cost.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH POLICE JURY
Pine, Louisiana

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

J. COMPENSATED ABSENCES

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

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 19, 1995, the district passed a proposal for a 10 mill property tax assessment upon the property owners of the District, subject to homestead exemption. The tax is for a period of 10 years commencing in the year 1996 for the purpose of maintaining and operating the District's fire protection facilities, for purchasing fire trucks and other fire fighting equipment and paying the cost of obtaining water for fire protection service.

Net ad valorem tax (10 mill assessment)	\$ <u>23,762.</u>
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WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH POLICE JURY
Pine, Louisiana

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

3. CASH AND CASH EQUIVALENTS

At December 31, 1998, the District has cash and cash equivalents totaling \$16,354., as follows:

Non-interest bearing demand deposits	\$ 382.
Interest bearing demand deposits	<u>15,972.</u>
 Total cash and cash equivalents	 <u>\$ 16,354.</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, 1998, the District had \$16,454. in deposits (collected bank balances). These deposits were secured from risk by \$100,000. of the federal deposit insurance.

4. RECEIVABLES

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

<u>Class of receivable</u>	<u>General Fund</u>
Ad valorem taxes	\$ 24,062.

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance January 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 1998</u>
Fire trucks	\$ 83,200	\$	\$	\$ 83,200
Fire house	12,000			12,000
Equipment	36,385	3,824		40,209
 TOTAL	 <u>\$ 131,585</u>	 <u>\$ 3,824</u>	 <u>\$</u>	 <u>\$ 135,409</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH POLICE JURY
Pine, Louisiana

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

6. 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
Notes Payable	\$ 66,792	\$	\$ 6,028	\$ 60,764
TOTAL	\$ 66,792	\$ -	\$ 6,028	\$ 60,764

The State Bond Commission at a meeting held on May 16, 1996, approved the District's application to borrow \$75,000. for two fire trucks to be secured by and payable from the avails or proceeds of the ten mills tax authorized at an election on April 29, 1995. On September 10, 1996, the District borrowed \$75,000. from Citizens Savings Bank in Franklinton, Louisiana, at an interest rate of seven and one-half percent (7.5%) percent per annum, to be repaid over a ten year period.

7. LITIGATION AND CLAIMS

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

8. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period under examination.

9. SUBSEQUENT EVENTS

The District is involved in a redistricting project due to the Franklinton Volunteer Fire Department no longer covering an area outside the city limits of the Town of Franklinton, Louisiana. At this time, it is not certain what effect this redistricting will have on the District's financial operations.

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH POLICE JURY
Pine, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 1997

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.