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REPORT

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana

Component Unit Financial Statements
As of and for 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 APR 7 1999

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WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana

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

CONTENTS

	Statement	Page No.
TRANSMITTAL LETTER		1
AFFIDAVIT		2
ACCOUNTANT'S REPORT		3
GENERAL PURPOSE FINANCIAL STATEMENTS:		
BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	A	4
GOVERNMENTAL FUNDS:		
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	B	5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (GAAP/NON-GAAP BASIS) AND ACTUAL - GENERAL FUND	C	6
NOTES TO FINANCIAL STATEMENTS		7-14
	Schedule	Page No.
SUPPLEMENTAL INFORMATION SCHEDULE - SCHEDULE OF COMPENSATION PAID BOARD MEMBERS	1	15

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana

TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

February 26, 1999

Office of Legislative Auditor
Attention: Ms. Dorothy Mimer
1600 North Third
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Ms. Mimer:

In accordance with Louisiana revised Statute 24:514, enclosed are the financial statements for the Washington Parish Fire Protection District #2 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

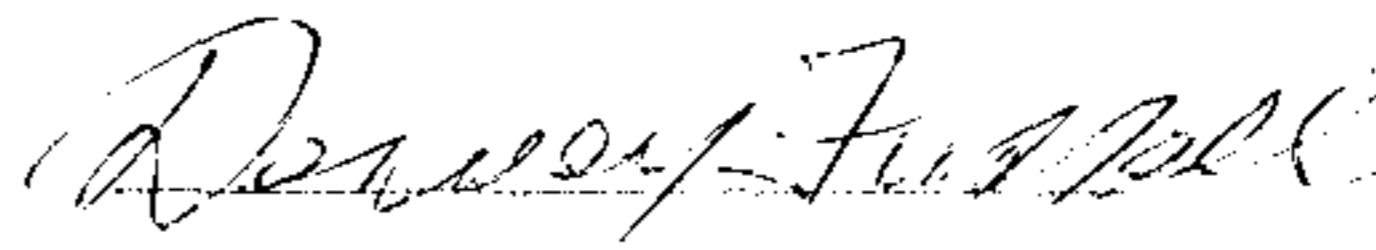
WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH POUCE JURY
Franklinton, Louisiana

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

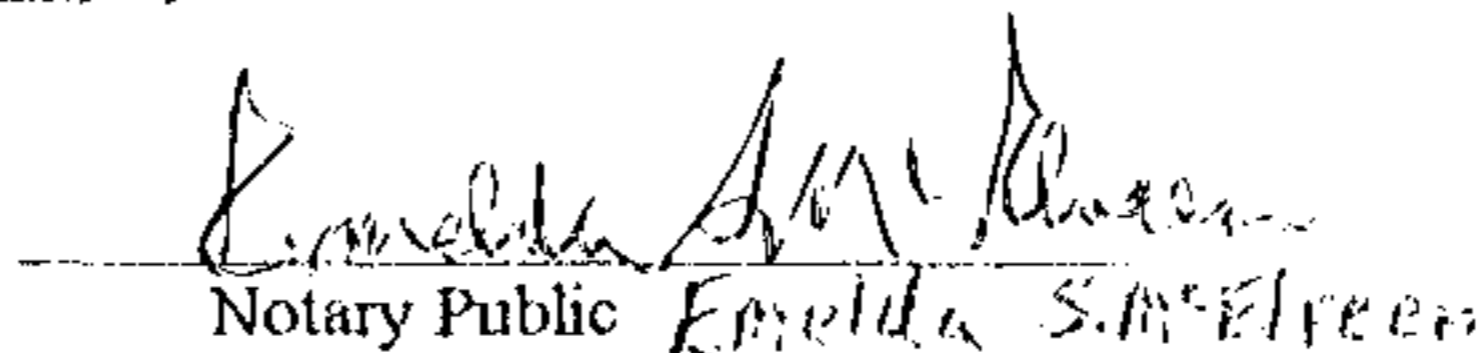
AFFIDAVIT

Personally came and appeared before the undersigned authority, Dewey Fussell, who duly sworn, deposes and says the financial statements herewith given present fairly the financial position of the Washington Parish Fire Protection District #2, as of December 31, 1997, and the results of operation for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements

In addition, Dewey Fussell, who duly sworn, deposes and says that the Washington Parish Fire District #2 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 mention fiscal year end.



Sworn to and subscribed before me, this 9th day of ~~March~~ ^{February}, 1999



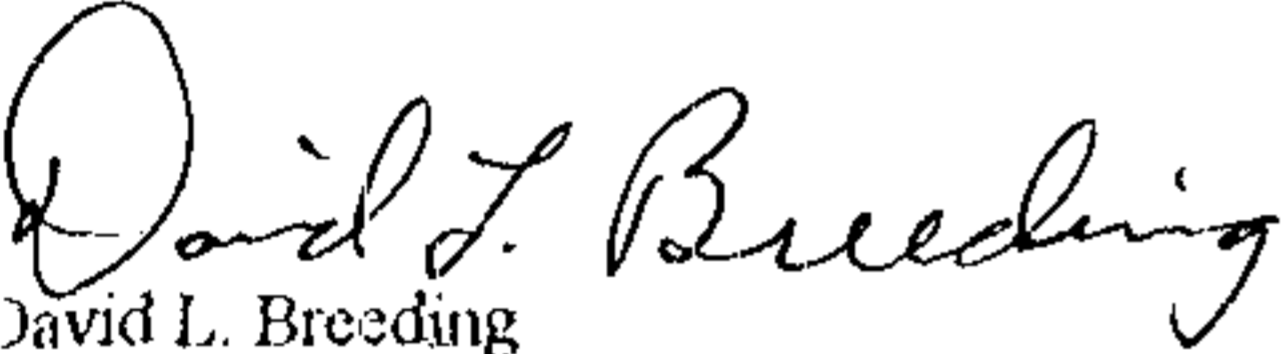
Notary Public Emerald S. McElreath

Officer Dewey Fussell
Address 41521 Hwy. 1056
Franklinton, La. 70438
Telephone No. 8394578

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana

Board of Commissioners
Washington Parish Fire
Protection District #2
Franklinton, Louisiana

I have compiled the accompanying financial statements and the account group financial statements of the Washington Parish Fire Protection District #2, a component unit of the Washington Parish Police Jury, as of and for the year ended December 31, 1998, in accordance with generally accepted accounting principles (GAAP) as applied to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB) which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.


David L. Breeding
Treasurer Washington Parish
Fire Protection District #2

FINANCIAL STATEMENTS

Statement A

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
 WASHINGTON PARISH POLICE JURY
 Franklinton, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet
 December 31, 1998

	Governmental Fund. General Fund	Account General. Fixed Assets	Group General. Long-term Debt	(Memorandum) Only
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$ 7,753	\$ 0	\$ 0	\$ 7,753
Receivables	\$ 24,755	\$ 0	\$ 0	\$ 24,755
Land, Buildings & Equipment	\$ 0	\$ 115,957	\$ 0	\$ 115,957
Amount to be provided for retirement of general long-term obligations	\$ 0	\$ 0	\$ 4,831	\$ 4,831
TOTAL ASSETS AND OTHER DEBITS	\$ 32,508	\$ 115,957	\$ 4,831	\$ 153,296
LIABILITIES, EQUITY & OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0
N/P - Parish National Bank	\$ 0	\$ 0	\$ 4,831	\$ 4,831
Total liabilities				\$ 4,831
Equity and other credits:	\$ 0	\$ 115,957	\$ 0	\$ 115,957
Investment in general fixed assets				
Fund balance:				
Unreserved - undesignated	\$ 7,753	\$ 0	\$ 0	\$ 7,753
Total equity and other credits	\$ 24,755	\$ 0	\$ 0	\$ 24,755
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 32,508	\$ 115,957	\$ 7,753	\$ 153,296

The accompanying notes are an integral part of this statement.

Statement B

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances - General Fund

For the Year Ended December 31, 1998

REVENUES	
Fire Assessment Fee	\$20,511
Intergovernmental revenues:	
State revenue sharing	\$ 3,846
Other [†]	
Interest earnings	\$ 398
Other revenues:	
Sale of equipment	
Total revenues	\$24,755
EXPENDITURES	
Salaries and related benefits	0.
Compensation paid board members	0.
Legal and accounting	0
Insurance	\$ 6,432
Repairs and maintenance	\$ 6,901
Utilities	\$ 1,043
Capital outlay	\$ 2,812
Debt Service	\$ 4,831
Other	\$ 3,924
Total expenditures	\$ 25,943
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <1,188 >
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	\$8,098
FUND BALANCES (DEFICIT) AT END OF YEAR	\$7,753

The accompanying notes are an integral part of this statement.

Statement C

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
 WASHINGTON PARISH POLICE JURY
 Franklinton, Louisiana

Governmental Funds
 Statement of Revenues and Expenditures - Budget/Actual
 for the year ended December 31, 1998

General Fund

	Budget	Actual	Variance
REVENUES:			
Fire Assessment Fee	\$20,582.	\$20,511	\$ 71
State Revenue Sharing	\$ 3,750.	\$ 3,846.	\$ 96.
Interest	\$ 385.	\$ 398.	\$ 13.
Miscellaneous	0.	0.	0.
Sale of equipment	0.	0.	0.
Total Revenue	<u>\$24,717</u>	<u>\$24,755.</u>	<u>\$ 38.</u>
EXPENDITURES:			
Insurance	\$ 8,000.	\$ 6,432.	\$1,568.
Fuel	\$ 600.	\$ 547.	\$ 53.
Utilities	\$ 900.	\$ 1,043.	- \$ 143.
Repairs & Maintenance	\$ 1,800.	\$ 6,901.	- \$5,101.
Audit	0.	0.	0.
Miscellaneous	\$ 3,100.	\$ 3,556.	- \$ 456.
Capitol Outlay	\$ 6,900.	\$ 2,812.	\$ 4,088.
Debt Service	<u>\$ 5,621.</u>	<u>\$ 4,831.</u>	<u>\$ 790.</u>
Total Expenditures	<u>\$26,921.</u>	<u>\$26,122.</u>	<u>\$ 799.</u>
EXCESS OF REVENUE OVER (UNDER)			
EXPENDITURES	(\$2,204.)	(\$ 1,025.)	(\$1,179.)

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana

Notes to the Financial Statements

INTRODUCTION For the Year Ended December 31, 1998

As provided by Louisiana Revised Statute 40:1496.12B, the Fire Protection District Number Two of Washington Parish was created November 11, 1987 through a resolution passed by the Washington Parish Police Jury. The District shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The district shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water 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 them 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 90 square miles in a portion of Wards 9 and 1 of Washington Parish, and serves approximately 2,000 people and several small businesses living and operating in this district. It operates two fire stations, one on La. Hwy. 10 in the Richardson Community, and a second one on La. Hwy. 450 in the Stoney Point Community, a third fire station is proposed for the Vernon Community, with a totally 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 #2 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana

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

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

B. REPORTING ENTITY

Because the police jury appoints the governing board, the district was determined to be a component unit of the Washington Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. 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 governmental 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.

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 disbursement 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.*

WASHINGTON PARISH FIRE PROTECTION DISTRICT *2
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana

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

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 and state revenue sharing are recorded when received. Property taxes (parcel fee assessment) 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 property tax must be collected within sixty days after the end of the period in which the property tax revenue was recognized.

Expenditures

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

E. BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing data for the budget and adopting the annual budget.

1. The Treasurer and Chairman prepares a proposed budget and submits same to board for review no later than the date of the board meeting of the 11th month of the preceding year.
2. The budget is reviewed by the board and additions and or deletions are offered at the December meeting. The necessary action is taken to finalize budget data and the budget is adopted.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana

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

3. The budget is mailed to the Police Jury for inclusions in their records.
4. Budgetary amendments involving changes in revenue or expenditures required approval by the board.

F. ENCUMBRANCES

The Washington Parish Fire Protection District #2 does not use encumbrances 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. 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. The district has not incurred construction period interest. Interest paid on notes for equipment purchases are not capitalized. No depreciation has been provided on general fixed assets. Fixed assets purchased have been valued at historical cost. Donated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1991 have been valued using estimated historical cost.

I. VACATION AND SICK LEAVE - COMPENSATED ABSENCES

The Washington Parish Fire Protection District #2 does not have any employees; therefore, there are no accounting procedures necessary for compensated absences.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana

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

J. LONG-TERM OBLIGATIONS

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

K. 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.

L. 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 May 5, 1990, the district successfully passed a proposal for a parcel fee assessment upon property owners of the district. The assessment authorizes the levy of and collection of an annual parcel fee not to exceed thirty five dollars (\$35.00) on each lot, subdivided portion of ground or individual tract upon which is located, either in whole or in part, a residential or commercial structure, regardless of occupancy for a period of ten (10) years, beginning with the year 1990, for the purpose of acquiring, constructing, maintaining and operating fire protection facilities and equipment including paying the cost of

WASHINGTON PARISH FIRE PROTECTION DISTRICT 42
 WASHINGTON PARISH POLICE JURY
 Franklinton, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 1998

obtaining water for fire protection purposes and salaries of firemen, and all purposes incidental thereto.

	<u>1996</u>	<u>Assessed Fees</u> <u>1997</u>	<u>1998</u>
	\$20,630.	\$20,579.	\$20,511.

3. CASH AND CASH EQUIVALENTS

At December 31, 1998, the district has cash and cash equivalents totaling \$7,753.00, as follows;

Interest bearing demand deposits	\$7,753.00.
----------------------------------	-------------

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 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 \$7,753. in deposits (collected bank balances). These deposits were secured from risk by \$100,000.00 of the federal deposit insurance, (Category 1 in applying the credit risk of GASB Codification Section 150.164).

4. RECEIVABLES

The following is a detail of receivables at December 31, 1998

<u>Class of Receivable</u>	<u>General Fund</u>
Assessment Fees	\$0.

Assessment fees along with ad valorem taxes are assessed in November of each year and are due and payable by December 31st. The above receivable represents unpaid parcel fee assessments as of December 31, 1998. Delinquent taxes are collected in January through April. Property for any unpaid taxes are sold at Sheriff's sale or adjudicated to the parish in May of each year.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
 WASHINGTON PARISH POLICE JURY
 Franklinton, Louisiana

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

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, <u>1998</u>	Additions <u>1998</u>	Balance December 31, <u>1998</u>
Radios	\$ 10,842.	\$ 640.	\$ 11,482.
Fire trucks	\$ 66,000.	\$ 0.	\$ 66,000.
Fire stations	\$ 20,460.	\$ 0.	\$ 20,460.
Turn Out Gear	\$ 3,720.	\$ 1,678.	\$ 5,398.
Equipment	<u>\$ 12,366.</u>	<u>\$ 495.</u>	<u>\$ 12,861.</u>
Total	\$113,388.	\$ 2,813.	\$116,201.

6. CHANGES IN GENERAL LONG-TERM DEBT

In November of 1996 the District borrowed \$15,000.00 from Parish National Bank Franklinton, La. The loan proceeds were used to help pay for a fire truck (\$23,000. Cost). The debt is to be repaid in 3 annual installments beginning February 1, 1997.

The following is a summary of the long-term obligation transactions during 1998

10

Long-term obligation payable 2/1/1999 Long Term
 Final payment of \$4,831.00 paid January 25, 1999

7. LITIGATION & CLAIMS

As of December 31, 1998 there were no litigations or claims against the Washington Parish Fire Protection District #2.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana

Notes to Financial Statement8 (Continued) For the Year Ended December 31, 1998

B. RELATED PARTY TRANSACTIONS

The Washington Parish Fire Protection District #2 had no related party transactions during the period under audit.

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH FIRE PROTECTION DISTRICT *2
WASHINGTON PARISH POLICE JURY
Franklinton, 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 received no compensation in any form for the period.