

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH

Component Unit Financial Statements
For the Year Ended December 31, 2019

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
JONESBORO, LOUISIANA

FOR THE YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Ward Four Fire Protection District
Of Jackson Parish
Jonesboro, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of Ward Four Fire Protection District, a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements of the Fire District as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

To the Board of Commissioners
Ward Four Fire Protection District
Of Jackson Parish
Jonesboro, Louisiana

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Ward Four Fire Protection District, as of December 31, 2019, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

Other Information

The Schedule of Compensation, Benefits and Other Payments to Agency Head and Board of Commissioners is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head and Board of Commissioners is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 15, 2020, on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

West Monroe, Louisiana
May 15, 2020

David M. Smith, CPA (APAC)

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

**WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
JONESBORO, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Ward Four Fire Protection District of Jackson Parish (the District) financial statements provides an overview of its activities for the year ended December 31, 2019. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District’s net position and changes in them. The District’s net position (the difference between assets and liabilities) measure the District’s financial position. Increases or decreases in the District’s net position are an indicator of whether its financial position is improving or not.

The District as a Whole

For the years ended December 31, 2019 and 2018, net position changed as follows:

	2019	2018
Beginning net position	\$ 1,071,046	\$1,066,637
Increase (Decrease) in net position	3,806	4,409
Ending net position	\$ 1,074,852	\$1,071,046

The District's Funds

The following schedule presents a summary of revenues and expenses for the years ended December 31, 2019 and 2018:

Revenues	2019	Percent of Total	2018	Percent of Total
Ad Valorem & Parcel Fees	\$424,661	94.01%	\$448,989	96.80%
Grants & Miscellaneous	18,884	4.18%	7,007	1.50%
State Fire Insurance Rebate	8,166	1.81%	8,024	1.70%
Total Revenues	\$451,711	100.00%	\$464,020	100.00%

Expenditures	2019	Percent of Total	2018	Percent of Total
Public Safety – Fire Protection	\$447,905	100.00%	\$463,751	100.00%

BUDGETARY HIGHLIGHTS

The District's total revenues in 2019 were not within 5% of the final budgeted revenue. Budgeted amount exceeded actual by \$78,038. Actual expenditures in 2019 were within 5% of the budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2019, the District had \$2,383,897 invested in capital assets (\$598,645, net of accumulated depreciation) including machinery and equipment and vehicles.

Assets	December 31, 2018	Additions	Disposals	December 31, 2019
Land	\$ 18,700	-	-	\$ 18,700
Autos & Equipment	1,964,526	-	-	1,964,526
Buildings	400,671	-	-	400,671
Total at historical cost	2,383,897	-	-	2,383,897
Less: Accumulated Depreciation:				
Autos & Equipment	(1,428,348)	(121,913)	-	(1,550,261)
Buildings	(223,382)	(11,609)	-	(234,991)
Capital assets, net	\$ 732,167	\$133,522	-	\$ 598,645

Debt

At year end, the District had \$122,625 in long-term obligations. Additional information about the District's debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's revenues are derived mainly from property taxes and a variety of grants and state fire insurance rebates. The District is not aware of any significant increases or decreases in those revenues sources or associated expenditures but in light of the current economic volatility, the District must continue to monitor its limited resources to fit the needs of the citizens of Richland Parish and be aware of other funding opportunities that may present themselves.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the funds received by it. If you have any questions about this report or need additional financial information, contact:

Ward 4 Fire Protection District of Jackson Parish
Post Office Box 613
Jonesboro, LA 71251

COMPONENT UNIT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 275,929
Accounts Receivable	331,488
Utility Deposits	300
Capital Assets:	
Non-Depreciable	18,700
Depreciable	579,945
Total Assets	1,206,362
 <i>Liabilities</i>	
Accounts Payable	\$ 5,112
Payroll Taxes Payable	3,773
Long-Term Liabilities	
Due Within One Year	60,199
Due In More Than One Year	62,426
Total Liabilities	131,510
 <i>Net Position</i>	
Net Investment in Capital Assets	598,645
Net Position - Unrestricted	476,207
Total Net Position	\$ 1,074,852

The accompanying notes are an integral part of this financial statement.

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities					
Public Safety	\$ 447,905	\$ 424,661	\$ -	\$ -	\$ (23,244)

General Revenues:	
Insurance Rebate	8,166
Rent	950
Interest	3,471
Sale of Surplus Equipment	-
Miscellaneous	14,463
Total General Revenues	27,050
Changes in Net Position	3,806
Net Position - Beginning	1,071,046
NET POSITION - ENDING	\$ 1,074,852

The accompanying notes are an integral part of this financial statement.

COMPONENT UNIT FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
BALANCE SHEET, GOVERNMENTAL FUNDS
DECEMBER 31, 2019

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 275,929
Accounts Receivable	331,488
Utility Deposits	300

TOTAL ASSETS \$ 607,717

LIABILITIES AND FUND BALANCE

Liabilities

Accounts Payable	\$ 5,112
Payroll Taxes Payable	3,773

Total Liabilities 8,885

Fund Balance

Unassigned 598,832

TOTAL LIABILITIES AND FUND BALANCE \$ 607,717

The accompanying notes are an integral part of this financial statement.

WARD FOUR FIRE PROTECTION DISTRICT OF
BALANCE SHEET, GOVERNMENTAL FUNDS
DECEMBER 31, 2019

**Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position**

*Amounts reported for governmental activities in the Statement of Net Position are
different because:*

Fund Balance, Governmental Funds: \$ 598,832

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the governmental
funds.

Governmental Assets	2,383,897	
Less Accumulated Depreciation	<u>(1,785,252)</u>	
		598,645

Long-term liabilities, including capital leases, payable, are not
due and payable in the current period and therefore are not
reported in the governmental funds. (122,625)

Net Position of Governmental Activities \$ 1,074,852

The accompanying notes are an integral part of this financial statement.

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Operating Revenue</u>	
Ad Valorem Tax Revenue	\$ 377,106
Parcel Fees	47,555
Intergovernmental Revenues:	
Fire Insurance Rebate	8,166
Grant	-
Rent	950
Interest Earnings	3,471
Sale of Surplus Equipment	-
Insurance Proceeds	14,463
Total Operating Revenue	<u>451,711</u>
<u>Operating Expenses</u>	
Public Safety - Fire Protection:	
Current:	
Personal Services	112,770
Operating Services	106,405
Materials & Supplies	15,217
Travel & Other	4,264
Capital Outlay	54,519
Debt Service	64,334
Intergovernmental	15,006
Total Operating Expenses	<u>372,515</u>
<u>Change in Fund Balance</u>	79,196
<u>Other Financing Sources (Uses)</u>	
Loan Proceeds	<u>-</u>
<u>Fund Balance - Beginning of the Year</u>	<u>519,636</u>
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 598,832</u>

The accompanying notes are an integral part of this financial statement.

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

*Amounts reported for governmental activities in the Statement of Activities
are different because:*

Net change in fund balances - total governmental funds \$ 79,196

Governmental funds report capital outlays as expenditures,
however, in the statement of activities, the cost of those
assets is depreciated over their estimated useful lives.

Expenditures for capital assets	-	
Less current year depreciation	(133,522)	
	(133,522)	(133,522)

The issuance of long-term debt provides financial resources of
governmental funds while the repayment of the principal of
long-term debt consumes the current financial resources of
governmental funds. Neither transaction, however, has any
effect on net position. -

Repayment of principal is an expenditure in the
governmental funds, but the repayment reduces long-term
liabilities in the statement of net position. 58,132

Changes in net position of governmental activities \$ 3,806

The accompanying notes are an integral part of this financial statement.

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

INTRODUCTION

Ward Four Fire Protection District of Jackson Parish (the District) was created by resolution of the Jackson Parish Police Jury in June 1982, for the purpose of purchasing and maintaining fire equipment and providing fire protection for the people included in the district according to the boundaries set by Richland Parish Police Jury. The District is governed by a board of commissioners consisting of five members. The Commissioners are appointed by the Richland Parish Police Jury and receive no compensation. The District has one full-time and two part-time employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the District is considered a component unit of the Jackson Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

Note 1 - Summary of Significant Accounting Policies

A. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 - Summary of Significant Accounting Policies - Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund. The District has no proprietary fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 - Summary of Significant Accounting Policies - Continued

C. CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments for the District are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. RECEIVABLES AND PAYABLES

Property taxes are levied on a calendar year basis and become delinquent on January 1 of each year. The following is a summary of authorized and levied Parcel Fees:

	<u>Authorized</u>	<u>Levied</u>	<u>Expiration Date</u>
Property Taxes	10.00 Mills	10.00 Mills	2027

Delinquent property taxes are considered fully collectible and therefore no allowance for uncollectible fees is provided.

E. CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No construction occurred during the current fiscal year.

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 - Summary of Significant Accounting Policies - Continued

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Buildings	7-30 Years
Autos	7-15 Years
Equipment	5-10 Years

F. COMPENSATED ABSENCES

The District is operated by volunteers and therefore has no policy for compensated absences.

G. LONG-TERM OBLIGATIONS

In the government-wide financial statements, capital leases and other long-term obligations are reported as liabilities in the statement of net position.

H. FUND EQUITY

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Commissioners – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 - Summary of Significant Accounting Policies - Continued

H. FUND EQUITY (Continued)

Assigned Fund Balance – This classification reflects the amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

I. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

Budget Information: Preliminary budgets for the ensuing year are prepared by the secretary-treasurer during November of each year. During November, the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the December meeting. All annual appropriations lapse at year end. Encumbrance accounting is not used by the District. Budgeted amounts included in the accompanying financial statements include the original adopted budget and no amendments for the year ended December 31, 2019.

Note 3 - Cash and Cash Equivalents

Custodial Credit Risk – deposits. The custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s policy to ensure there is no exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2019.

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 3 - Cash and Cash Equivalents (continued)

The District has cash and cash equivalents (book balances) totaling \$275,929 at December 31, 2019 as follows:

Checking	\$ <u>275,929</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 held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2019, are secured as follows:

Bank Balances	\$ 280,287
FDIC Insurance	250,000
Pledged Collateral	<u>300,000</u>
Uninsured Amount	<u>\$ 550,000</u>

The accounts are managed by the District's fiscal agent and consist of securities issued or guaranteed by the U.S. government. Investments are in accordance with LRS 33:2955(A)(1)(e) and are not required to be covered by the pledge of securities owned by the fiscal agent bank.

Note 4 - Accounts Receivable

At December 31, 2019, the District's accounts receivable consisted of the following:

Fire Assistance Grant Receivable	\$ -
Property Tax Receivable	<u>331,488</u>
Total Accounts Receivable	<u>\$ 331,488</u>

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 5 - Property, Plant and Equipment

Capital asset activity for the year ended December 31, 2019 and 2018 is as follows:

	December 31, 2018			December 31, 2019	
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	
Non-Depreciable Assets:					
Land	\$ 18,700	\$ -	\$ -	\$ 18,700	
Depreciable Assets:					
Trucks	1,289,893	-	-	1,289,893	
Equipment	674,633	-	-	674,633	
Buildings	<u>400,671</u>	-	-	<u>400,671</u>	
Totals at Historical Cost	2,383,897	-	-	2,383,897	
Less Accumulated Depreciation for:					
Trucks	(1,047,258)	(58,566)	-	(1,105,824)	
Equipment	(381,090)	(63,347)	-	(444,437)	
Buildings	<u>(223,382)</u>	<u>(11,609)</u>	-	<u>(234,991)</u>	
Total Accumulated Depreciation	<u>(1,651,730)</u>	<u>(133,522)</u>	-	<u>(1,785,252)</u>	
<u>CAPITAL ASSETS, NET</u>	<u>\$ 732,167</u>	<u>\$(133,522)</u>	<u>\$ -</u>	<u>\$ 598,645</u>	

Depreciation expense was \$133,522 in 2019.

Note 6 - Long-Term Obligations

The following is a summary of long-term obligations for the year ended December 31, 2019:

	<u>Capital Lease/Purchase</u>
Balance at December 31, 2018	\$ 180,757
Additions	-
Reductions	<u>(58,132)</u>
<u>BALANCE AT DECEMBER 31, 2019</u>	<u>\$ 122,625</u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2019:

	<u>Capital Lease/Purchase</u>
Current Portion	\$ 60,199
Long-Term Portion	<u>62,426</u>
<u>Total</u>	<u>\$ 122,625</u>

Long-term obligations at December 31, 2019 in the amount of \$122,625 consists of two lease/purchase agreements with Government Capital Corporation that were subsequently sold to local banks. The agreements were for a new fire/rescue boat and restoration of a boat house for the new boat.

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 6 - Long-Term Obligations (continued)

The obligations have maturities from 2017 until 2021 and have an interest rate of 4.0% and 2.25%, respectively. Interest expense for 2019 was \$6,202 and is included in public safety expenses. Principal and interest payable in the next fiscal year are \$60,199 and \$4,135, respectively.

All principal and interest requirements are funded in accordance with Louisiana law by the annual property tax levy within the District and are due as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	60,199	4,135	64,334
2021	<u>62,426</u>	<u>1,908</u>	<u>64,334</u>
Total	<u>\$122,625</u>	<u>\$ 6,043</u>	<u>\$128,668</u>

Note 7 - Risk Management

The District purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

Note 8 - Subsequent Events

Subsequent events have been evaluated through May 15, 2020, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance With</u> <u>Final Budget</u> <u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Ad valorem tax	450,000	450,000	377,106	(72,894)
Intergovernmental revenues:				
Fire Insurance rebates	9,000	9,000	8,166	(834)
Grant Income	9,149	9,149	-	(9,149)
Parcel Fees	59,000	59,000	47,555	(11,445)
Interest and Dividend Earnings	600	600	3,471	2,871
Rent	1,500	1,500	950	(550)
Sale of Surplus Equipment	-	-	-	-
Other revenues	500	500	14,463	13,963
Total Revenues	<u>529,749</u>	<u>529,749</u>	<u>451,711</u>	<u>(78,038)</u>
Expenditures				
Advertising	3,000	3,000	1,350	1,650
Dues and Subscriptions	1,000	1,000	668	332
Contracted Services	7,500	7,500	968	6,532
Equipment Operating Expense	25,000	25,000	6,665	18,335
Equipment Repairs and Maintenance	35,000	35,000	22,314	12,686
EMS Supplies	2,500	2,500	1,055	1,445
Insurance	32,000	32,000	27,127	4,873
Legal and Accounting	15,000	15,000	14,005	995
Miscellaneous Expense	500	500	1,281	(781)
Office Expense	4,500	4,500	4,553	(53)
Building Repair and Maintenance	20,000	20,000	3,442	16,558
Payroll Tax Expense	7,000	7,000	8,325	(1,325)
Public Education	5,000	5,000	656	4,344
Salaries	80,000	80,000	92,182	(12,182)
Supplies	25,000	25,000	15,217	9,783
Taxes and Licenses	500	500	408	92
Training	10,000	10,000	5,746	4,254
Travel	4,000	4,000	3,064	936
Utilities	17,000	17,000	17,367	(367)
Volunteer Compensation/Contract Labor	37,500	37,500	12,263	25,237
Capital Outlay	100,000	100,000	54,519	45,481
Interest Expense	9,249	9,249	6,202	3,047
Principal Retirement	56,000	56,000	58,132	(2,132)
Pension Fund Deductions	-	-	15,006	(15,006)
Total Expenditures	<u>497,249</u>	<u>497,249</u>	<u>372,515</u>	<u>124,734</u>
Net Change in Fund Balance	32,500	32,500	79,196	46,696
Fund Balance at Beginning of Year	<u>519,636</u>	<u>519,636</u>	<u>519,636</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 552,136</u>	<u>\$ 552,136</u>	<u>\$ 598,832</u>	<u>\$ 46,696</u>

The accompanying notes are an integral part of this financial statement.

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO BUDGET COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

Preliminary budgets for the ensuing year are prepared by the secretary-treasurer during November of each year. During November, the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the December meeting. All annual appropriations lapse at year end. Encumbrance accounting is not used by the District. Budgeted amounts included in the accompanying financial statements include the original adopted budget and one amendment for the year ended December 31, 2019.

The accompanying notes are an integral part of this financial statement.

OTHER SUPPLEMENTAL SCHEDULES

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD,
POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2019

Name	Office	Compensation	Reimbursements
Scott Savage	Fire Chief	\$ 61,528	None
Daniel Allen	Assistant Chief	\$ 7,827	None
Kent Hightower	Director	None	None
Arthur Harper	Director	None	None
Bill Wayne Pullig	Director	None	None
Scotty Nunn	Director	None	None
Rel Mathews	Director	None	None

COMPLIANCE REPORTING

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Ward Four Fire Protection District
Of Jackson Parish
Jonesboro, LA 71251

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Ward Four Fire Protection District of Jackson Parish, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated May 15, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Commissioners
Ward Four Fire Protection District
Of Jackson Parish
Jonesboro, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ward Four Fire Protection District of Jackson Parish's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the use of management of Ward Four Fire Protection District of Jackson Parish and the Legislative Auditor, State of Louisiana, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

David M. Saut, CPA (APAC)

West Monroe, Louisiana
May 15, 2020

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

To the Board of Commissioners
Ward Four Fire Protection District of
Jackson Parish
Jonesboro, Louisiana

I have audited the financial statements of Ward Four Fire Protection District of Jackson Parish, a component unit of the Jackson Parish Police Jury as of and for the year ended December 31, 2019 and have issued my report thereon dated May 15, 2020. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2019, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be
Material Weaknesses ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards – N/A

Material Weakness Identified ___yes ___no

Significant Deficiencies not considered to be
Material Weaknesses ___ yes ___no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified _____ Qualified _____

Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance? N/A

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

WARD FOUR FIRE PROTECTION DISTRICT OF
JACKSON PARISH
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.