

REPORT

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
PINE, LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS

FOR THE YEAR

ENDED DECEMBER 31, 2016

WITH SUPPLEMENTAL INFORMATION SCHEDULES

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**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana**

**Component Unit Financial Statements
As of and for the Year Ended December 31, 2016
With Supplemental Information Schedules**

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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

Board of Commissioners
Washington Parish Fire
Protection District No. 4
Pine, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities of the Washington Parish Fire Protection District No. 4, a component unit of the Washington Parish Government. as of and for the year ended December 31, 2016, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 9 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. This information is the representation of management. This information was subject to our compilation engagement, however, I have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The supplementary information contained in the Other-Supplemental Information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

I am not independent with respect to Washington Parish Fire Protection District No. 4.

Minda Raybourn

Minda B. Raybourn
Certified Public Accountant
Franklinton, Louisiana
June 27, 2017

Management's Discussion and Analysis

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana**

Management's Discussion and Analysis

WASHINGTON PARISH FIRE PROTECTION DISTRICT No. 4 is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standard Board Statement No. 34, Basic Financial Statements - Management 's Discussion and Analysis – For State and Local Governments (hereinafter referred to as GASB 34) and related standards.

The Management's Discussion and Analysis (MD&A) is designed to:

1. assist the reader in focusing on significant financial issues,
2. provide an overview of the District's financial activities,
3. identify changes in the District's overall financial position and results of operations and assist the user in determining whether the financial position has improved or deteriorated as a result of the year 's operations,
4. identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity, and
5. identify individual fund issues or concerns.

The information contained within this MD&A should be considered only as part of a whole. The reader of this statement should take time to read and evaluate all sections of this report, including the footnotes and other Required Supplemental Information (RSI) that are provided in addition to this MD&A.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government –wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. These financial statements are presented using the accrual basis of accounting method.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Management's Discussion and Analysis

The Statement of Net Position presents information on all of the District's assets and liabilities, with difference between the two reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The Statement of Net Position and The Statement of Activities display information about the District as a whole. These statements distinguish between those activities of the District that are governmental and those that are considered business type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The modified accrual basis of accounting is used by the governmental funds.

Notes to financial statements. The notes to the financial statements provide required disclosure essential to the understanding of the financial statements. The notes present information about the District's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule.

Financial Highlights

- At December 31, 2016, the District recorded total net position (assets less liabilities) of \$617,922. The District had unrestricted net position available for current activities in the amount of \$314,378. The District has restricted assets of \$67,776 for debt payments and net position invested in capital assets, net of related debt of \$235,768.
- The most significant continuing revenue source was ad valorem taxes of \$151,717 which is 84% of total revenues
- The District's long-term debt at December 31, 2016 is \$200,000 as compared to long-term debt at December 31, 2015 was \$245,000. The decrease is due to regular payments of principal of \$45,000.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana**

Management's Discussion and Analysis

Financial Analysis

Statement of Net Position

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

	<u>December 31, 2015</u>	<u>December 31, 2016</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Assets:				
Current And Other Assets	\$ 368,951	\$ 387,554	\$ 18,603	5.04%
Capital Assets	<u>469,904</u>	<u>435,768</u>	<u>(34,136)</u>	<u>-7.26%</u>
Total Assets	<u>838,855</u>	<u>823,323</u>	<u>(15,532)</u>	<u>-1.85%</u>
Liabilities				
Current Liabilities	5,276	5,400	124	2.36%
Long Term Liabilities	<u>245,000</u>	<u>200,000</u>	<u>(45,000)</u>	<u>-18.37%</u>
Total Liabilities	<u>250,276</u>	<u>205,400</u>	<u>(44,876)</u>	<u>-17.93%</u>
Net Position				
Invested in Capital Assets, Net	224,904	235,768	10,864	4.83%
Restricted for Debt Service	119,080	67,776	(51,304)	-43.08%
Unrestricted	<u>244,595</u>	<u>314,378</u>	<u>69,783</u>	<u>28.53%</u>
Total Net Position	<u>\$ 588,579</u>	<u>\$ 617,922</u>	<u>\$ 29,343</u>	<u>4.99%</u>

See page 10 for more detailed Statement of Net Position for the District.

Government-Wide Review of Condensed Statement of Net Position

The composition of net position and the change in net position over time serves as a useful indicator of a government's financial condition. The District's assets at fiscal year-end exceed liabilities by \$617,922 (net position). Of the District's net position, \$67,776 is restricted consisting of cash funds for debt service. The balance includes \$235,768 Invested in Capital Assets, Net of Related Debt, and \$314,378 in Unrestricted Net Position.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana**

Management's Discussion and Analysis

The Unrestricted Assets totaled \$314,378 or 51% of net position. These assets are available to meet the ongoing needs of the District.

The category Invested in Capital Assets, Net of Related Debt, totaled \$235,768 or 38% of net position. This category reflects the total invested in assets (land, building, equipments, etc.) net of any related debt used to acquire capital assets. These capital assets are used to provide service to citizens and do not represent assets available for future spending.

The Restricted Assets totaled \$67,776 or 11% represents assets that are to be used for debt service requirements.

At the end of the current fiscal year, the District was able to report positive balances in all categories of net position for the government as a whole, as well as for separate governmental activities.

Condensed Statement of Activities

	December 31, 2015	December 31, 2016	Dollar Change	Percent Change
Program Expenses				
Public Safety	\$ 154,937	\$ 150,695	\$ 4,242	2.74%
General Revenues				
Ad valorem Taxes	145,402	151,717	6,315	4.34%
Other Revenues	33,511	28,321	(5,190)	-15.49%
Total Revenues	178,913	180,038	1,125	0.63%
Change in Net Position	23,976	29,343	5,367	22.39%
Net Position, Beginning of Year	564,603	588,579	23,976	4.25%
Net Position, End of Year	588,579	617,922	29,343	4.99%

See page 11 for more detailed Statement of Net Activities for the District.

Significant categories of the Statement of Activities are noted below:

- Ad valorem taxes are the primary source of revenue totaling \$151,717 for the fiscal year ending December 31, 2016, at 84% of total revenue.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
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Pine, Louisiana

Management's Discussion and Analysis

- The major expenditure within the Statement of Activities is depreciation expense at \$34,135 (23% of total expenditures). Other major expenditures are repairs and maintenance of \$22,561 (15%) insurance of \$21,935 (15%), and supplies of \$24,959 (17%). See page 11 for more detail on The Statement of Activities.

Analysis of Fund Financial Statements

Governmental Funds

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

As of December 31, 2016, the District's governmental funds reported a combined ending fund balance of \$382,154 an increase of \$18,478 in comparison with the prior year. Approximately 69% of this total (\$265,494) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already restricted for debt service (\$111,507) and nonspendable for prepaid expenditures (\$5,153).

Budgetary Highlight

The District does not have a formal policy on adopting a budget. The budget for year ending December 31, 2016 was adopted at the District's December 2015 regular meeting. The budget was amended at the District's regular meeting in December 2016. All appropriations lapse at year-end. The District was not in compliance with the Local Government Budget Act as actual expenditures were 35% over budgeted expenditures.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Management's Discussion and Analysis

Budget vs. Actual – Fiscal Year End December 31, 2016

	Budget	Amended Budget	Actual	Variance
REVENUES:				
Ad valorem taxes	\$ 141,917	\$ 102,969	\$ 107,772	\$ 4,803
State revenue sharing	13,375	12,732	12,731	(1)
Insurance rebate	17,000	15,577	15,577	-
Interest earned	17	10	7	(3)
Other	50	-	-	-
Total Revenues	<u>172,359</u>	<u>131,288</u>	<u>136,087</u>	<u>4,799</u>
EXPENDITURES:				
Accounting and legal	9,200	4,000	4,360	(360)
Advertising	200	48	48	-
Bank Service Charges		15		15
Capital Outlays	22,000			-
Dispatch		1,327	1,327	-
Dues and subscriptions	700	598	598	-
Fire Prevention	1,600			-
Fuel, gas, and oil	5,000	3,768	5,751	(1,983)
Grant writer			2,250	(2,250)
Hose, Ladder, & Pump Testing	4,000			-
Insurance	26,800	20,146	21,935	(1,789)
Miscellaneous	200			-
Office Expense		285	285	-
Pension expense			3,816	(3,816)
Postage				-
Repairs and maintenance	22,200	10,283	22,561	(12,278)
Station Upkeep	2,500	3,332	3,928	(596)
Supplies	8,000	23,055	24,959	(1,904)
Telephone		2,562	2,892	(330)
Training	3,000	3,229	3,229	-
Utilities	9,500	4,157	6,112	(1,955)
Debt service:				
Principal retirement	45,000			-
Interest	12,900			-
Administration Fee	350			-
Total expenditures	<u>173,150</u>	<u>76,805</u>	<u>104,051</u>	<u>(27,246)</u>
Change in Net Position	(791)	54,483	32,036	(22,447)
NET POSITION, JANUARY 1, 2016	<u>363,676</u>	<u>363,676</u>	<u>363,676</u>	<u>-</u>
NET POSITION, DECEMBER 31, 2016	<u>\$ 362,885</u>	<u>\$ 418,159</u>	<u>\$ 395,712</u>	<u>\$ (22,447)</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Management's Discussion and Analysis

Capital Assets

At the end of the fiscal year December 31, 2016, the District had \$435,768 (net of accumulated depreciation) recorded in capital assets. Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statement. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful life:

Fire Stations	40 years
Fire Trucks and Other Truck	5-20 years
Equipment	3-10 years

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1989 have been valued using estimated historical cost.

Capital asset activity for the year ended December 31, 2016:

	12/31/2015	12/31/2016	Dollar Change	%
Land	\$ 23,280	\$ 23,280	\$ -	0.00%
Fire Trucks	676,892	676,892	-	0.00%
Fire Station	200,740	200,740	-	0.00%
Fire Equipment	297,803	297,803	-	0.00%
Subtotal	1,175,436	1,175,436	-	0.00%
Less Accumulated Depreciation	(728,812)	(762,948)	34,135	4.68%
Depreciated Assets	446,623	412,488	(34,135)	-7.64%
Total Capital Assets	\$ 469,903	\$ 435,768	\$ (34,135)	-7.26%

Depreciation expense was recorded for \$34,135. The District purchased no new assets during the year.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana**

Management’s Discussion and Analysis

Long-Term Debt Activity

Long-term obligations are reported in the government-wide statement. In previous years under governmental funds, the Fire District reported long-term debt in the debt service fund.

A schedule of changes in the long-term debt obligation for the Fire District # 4 during 2016, as follows:

	Balance 1/1/2016	Additions	Deductions	Balance 12/31/2016	Due Within 1 Year
Obligation Bonds	\$ 245,000		\$ 45,000	\$ 200,000	\$ 45,000

Future Economic Plans

The Washington Parish Fire Protection District’s management approach is conservative. The Board of Commissioners actively monitor revenues and expenses and evaluate the costs of proposed expansion projects.

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
 WASHINGTON PARISH GOVERNMENT
 Pine, Louisiana
 Statement of Net Position
 December 31, 2016

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 160,195
Receivables - property tax	154,430
Prepaid expenses	5,153
Restricted Cash	67,776
Total assets and Other debits	<u>387,554</u>
Capital assets	
Land	23,280
Building , fire trucks, and equipment	1,175,436
Less accumulated depreciation	<u>(762,948)</u>
Total Capital Assets	435,768
Total Assets	<u>823,323</u>
LIABILITIES:	
Pension deduction	5,400
Long-term debt due in one year	45,000
Long-term debt due more than one year	155,000
Total Liabilities	<u>205,400</u>
Net Position	
Invested in capital assets, net of related debt	235,768
Restricted for Debt	67,776
Unrestricted	314,378
Total Net Position	<u>\$ 617,922</u>

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

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
 WASHINGTON PARISH GOVERNMENT
 Pine, Louisiana
 STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2016

EXPENSES:

Administration Expense-Bonds	\$ 350
Advertising	48
Bank Service Charges	15
Depreciation Expense	34,135
Dispatch	1,327
Dues and Subscriptions	598
Fuel, gas, and oil	5,751
Grant Writer	2,250
Insurance	21,935
Interest Expense	10,560
Legal and Professional	4,360
Office Expense	285
Pension Expense	5,400
Repairs and Maintenance	22,561
Station Upkeep	3,928
Supplies	24,959
Telephone	2,892
Training	3,229
Utilities	6,111
Total Program Expenses	<u>150,695</u>

PROGRAM REVENUES:

Ad valorem taxes	151,717
Insurance rebates	15,577
State revenue sharing	12,730
Interest earned	13
Net Program Revenues	<u>180,038</u>
Change in Net Position	29,343
Beginning Net Position, January 1, 2016	<u>588,579</u>
Ending Net Position, December 31, 2016	<u><u>\$ 617,922</u></u>

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

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 4
 WASHINGTON PARISH GOVERNMENT
 Pine, Louisiana
 Balance Sheet
 Governmental Funds
 December 31, 2016

	General Fund	Debt Service Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS AND OTHER DEBITS			
ASSETS:			
Cash and cash equivalents	\$ 160,195	\$ 67,776	\$ 227,971
Receivables - property tax	109,114	45,316	154,430
Prepaid expenses	5,153	-	5,153
TOTAL ASSETS AND OTHER DEBITS	<u><u>\$ 274,462</u></u>	<u><u>\$ 113,092</u></u>	<u><u>\$ 387,554</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Pension deduction	3,816	1,585	5,400
Total Liabilities	<u>3,816</u>	<u>1,585</u>	<u>5,400</u>
FUND BALANCE			
Restricted Fund Balance	-	111,507	111,507
Nonspendable Fund Balance	5,153	-	5,153
Unassigned Fund Balance	265,494	-	265,494
Total Fund Balances	<u>270,647</u>	<u>111,507</u>	<u>382,154</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 274,462</u></u>	<u><u>\$ 113,092</u></u>	<u><u>\$ 387,554</u></u>
Reconciliation			
Total governmental fund balance			382,154
Capital assets net of depreciation			435,768
Total bond debt			<u>(200,000)</u>
Net Position of Governmental Activities (Statement A)			<u><u>617,922</u></u>

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

STATEMENT D

WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Statement of Revenues, Expenditures
and Changes in Fund Balance
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	General	Debt Service	Total
REVENUES:			
Ad valorem taxes	\$ 107,772	\$ 43,945	\$ 151,717
State revenue sharing	12,731	-	12,731
Insurance rebate	15,577	-	15,577
Interest earned	7	7	13
Other	-	-	-
Total Revenues	136,086	43,952	180,038
EXPENDITURES:			
Advertising	48	-	48
Bank Service Charges	-	15	15
Capital Outlay	-	-	-
Dispatch	1,327	-	1,327
Dues and Subscriptions	598	-	598
Fuel, gas, and oil	5,751	-	5,751
Grant Writer	2,250	-	2,250
Insurance	21,935	-	21,935
Legal and Professional	4,360	-	4,360
Office Expense	285	-	285
Pension Expense	3,816	1,585	5,400
Repairs and Maintenance	22,561	-	22,561
Station Upkeep	3,928	-	3,928
Supplies	24,959	-	24,959
Telephone	2,892	-	2,892
Training	3,229	-	3,229
Utilities	6,112	-	6,112
Debt service:			
Principal retirement		45,000	45,000
Interest		10,560	10,560
Administrative Fees		350	350
Total expenditures	104,050	57,510	161,560
EXCESS (DEFICIENCY) BEFORE TRANSFERS	32,036	(13,558)	18,478
Transfers In/Out	(5,984)	5,984	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	26,052	(7,574)	18,478
FUND BALANCE, JANUARY 1, 2016	244,596	119,080	363,676
FUND BALANCE, DECEMBER 31, 2016	\$ 270,648	\$ 111,507	\$ 382,154
Reconciliation			
Change in fund balance			18,478
Capital purchases			-
Principal retirement			45,000
Depreciation expense			(34,135)
Change in Net Position of Governmental Activities)			29,343

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

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 1-DESCRIPTION OF COMPONENT UNIT AND REPORTING ENTITY

DESCRIPTION OF COMPONENT UNIT

The Fire Protection District No. 4, of Washington Parish, was created under the Louisiana Revised Statute 40:1496.12E. The District shall constitute a public corporation and as such shall have all the powers of 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 tanks, 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 of commissioners. The board of commissioners 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 three firehouses in Pine, Thomas, and Stateline, Louisiana, with a volunteer staff of fire fighters.

REPORTING ENTITY

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

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

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2016

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Parish Council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Council.
2. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Parish Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Parish Council appoints a voting majority of the District's governing board and the Parish Council has the ability to impose its will on the District, the District was determined to be a component unit of the Washington Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles of the United State of America (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.

A. BASIS OF PRESENTATION

Fund Financial Statements

During the year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

B. FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. A fund is a separate accounting entity with a self-balancing set of accounts.

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. 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 payment of principal and interest of liabilities of long-term debt.

C. BASIS OF ACCOUNTING

The accompanying financial statements of the Washington Parish Fire Protection District No. 4 have been prepared in conformity with generally accepted accounting principles of the United States of America (GAAP) as applied to government units. The accompanying financial statements have been prepared in conformity with GASB-34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Under GASB-34, a statement of net assets and statement of activities are prepared which are presented on the accrual basis of accounting. The significant differences are capital outlay is reported as an asset and depreciated in the government-wide statement. Also long term obligations are recorded as liabilities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

The modified accrual basis of accounting is used by the governmental funds. The accounting and financial reporting treatment, applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Effective for financial statements issued after June 30, 2000, GASB Statement 33, Accounting and Financial reporting for Non-exchange Transactions, defines a non-exchange transaction as a transaction whereby the government gives or receives value without directly receiving or giving equal value in return. Property taxes are imposed non-exchange revenues which result from assessments imposed on nongovernmental entities including individuals. Assets should be recognized when the government has an enforceable lien or legal claim to the resources, or the resources are received, whichever occurs first. Property tax revenues are recognized in the period when the District has a legal claim to the resources. However, for revenue to be recognized under the modified accrual basis, the measurable and available criteria must also be met. Governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized in the accounting period they become available and measurable. Donations, fund raising net revenues and state revenue sharing are recorded when received. Ad valorem taxes become a lien against the assessed property on assessment date or levy date. Property taxes collected by the taxing authority, but not remitted to the District at year-end, are accrued in revenue and included in property tax receivable.

Expenditures

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

D. BUDGETS

The District does not have a formal policy on adopting a budget. The budget for year ending December 31, 2016 was adopted at the District's December 2015 regular meeting. The budget was amended at the District's regular meeting in December 2016. All appropriations lapse at year-end. The District was not in compliance with the Local Government Budget Act as actual expenditures were 35% over budgeted expenditures.

E. ENCUMBRANCES

The District does not use encumbrance accounting.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. PREPAID ITEMS

The District uses the allocation method of recording prepaid expenses.

H. CAPITAL ASSETS

Capital assets are recorded as expenditures at the time purchased or constructed. No depreciation has been provided on general capital assets. All capital assets are valued at historical cost or estimated historical cost. Donated assets are valued at fair market value on the date donated. The costs of all assets acquired prior to 1989, have been valued using estimated historical cost.

I. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the debt service fund.

J. NET POSITION

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

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

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

- Unrestricted – This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

K. GOVERNMENTAL FUND BALANCE

In the fund financial statements, governmental fund equity is classified as fund balance. The District adopted GASB 54 for the year ended December 31, 2015, Governmental funds are classified as follows:

- **Nonspendable** -These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** -These are amounts that can be spent only for specific purpose because of constitutional provisions, enabling legislation, or externally imposed constraints by creditors, grantor, contributors or the laws or regulations of other governments.
- **Committed** -These are amounts that can be used for specific purpose determined by a formal decision by the Board Members, which are the highest level of decision-making authority for the District.
- **Assigned** -These are amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purpose.
- **Unassigned** -These are all other spendable amounts.

NOTE 3 - LEVIED TAXES

On April 19, 1995, the District passed a proposal for a 15 mills 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. On April 5, 2014, the voters of the District renewed the 15 mill property tax for another 10 years starting with 2014 and ending with 2024. For the period covered by these financial statements, the millage was set at 15.29 mills.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

On April 24, 2005 the District passed a proposal for a 14.5 mills property tax assessment upon property owners of the District, subject to homestead exemption. The tax is for a period of 15 years commencing in the year 2005 for the purpose of acquiring, constructing, improving, maintaining, and /or operating fire protection facilities, vehicles, and equipment, including both moveable and immoveable property, to provide fire protection service for District No. 4. For the period covered by these financial statements, the millage was set at 6.35 mills.

2016 Assessed Property value	\$ 14,083,340	
Homestead Exemption	<u>(6,947,017)</u>	
Taxable Value	<u>\$ 7,136,323</u>	
	General Fund 15.29 Mills	General Fund 6.35 Mills
Tax Revenues	<u>\$ 109,116</u>	<u>\$ 45,316</u>
Less Pension Deduction	<u>(3,816)</u>	<u>(1,585)</u>
Net Assessment	<u>\$ 105,300</u>	<u>\$ 43,732</u>

NOTE 4 - CASH AND CASH EQUIVALENTS

At December 31, 2016, the District has cash and cash equivalents totaling \$227,971 as follows:

Non-interest bearing demand deposits	\$ 44,129
Interest bearing demand deposits	<u>183,842</u>
Total cash and cash equivalents	<u>\$ 227,971</u>

These deposits are stated at cost, which approximates market. 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, 2016, the District had \$228,551 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal deposit insurance.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

NOTE 5 - RECEIVABLES

The following is a summary of receivables at December 31, 2016:

Class of Receivable	General Fund	Debt Service	Total
Ad Valorem Taxes	\$ 109,114	\$ 45,316	\$ 154,430

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016:

	1/1/2016	Additions	Deductions	12/30/2016
Fire Trucks	\$ 676,892	\$ -	\$ -	\$ 676,892
Fire Station	200,740	-	-	200,740
Fire Equipment	297,803	-	-	297,803
Depreciated Assets	1,175,436	-	-	1,175,436
Less Depreciation	(728,812)	(34,135)	-	(762,948)
Assets Less Depreciation	446,623	(34,135)	-	412,488
Land	23,280	-	-	23,280
Total	\$ 469,903	\$ (34,135)	\$ -	\$ 435,768

Depreciation expense was recorded for \$34,135. The District purchased no new assets for the year.

NOTE 7– LONG-TERM DEBT

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

	Balance 1/1/2016	Additions	Deductions	Balance 12/31/2016	Due Within 1 Year
Obligation Bonds	\$ 245,000	-	\$ 45,000	\$ 200,000	\$ 45,000

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2016

On April 24, 2005, the District passed a proposal to issue \$600,000 of 15 year general obligation bonds for the purpose of acquiring, constructing, improving, maintaining, and /or operating fire protection facilities, vehicles, and equipment, including both moveable and immoveable property, to provide fire protection service for District No. 4.

Principle and interest requirements to retire general obligation bonds at December 31, 2016 are as follows:

Year	Principle	Interest	Total
2017	45,000	8,535	53,535
2018	50,000	6,325	56,325
2019	50,000	3,950	53,950
2020	55,000	1,375	56,375
Total	<u>200,000</u>	<u>20,185</u>	<u>220,185</u>

NOTE 8 - FUND BALANCE - RESTRICTED

The fund balance that is restricted represents amounts restricted for payment of the general obligation bonds.

NOTE 9 - RELATED PARTY TRANSACTION

There were no related party transactions at December 31, 2016.

NOTE 10 - LITIGATION AND CLAIMS

At December 31, 2016, the District was not involved in any outstanding litigation and claims.

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Budgetary Comparison Schedule
General Fund and Debit Service
For the Year Ended December 31, 2016

	Budget	Amended Budget	Actual	Variance
REVENUES:				
Ad valorem taxes	\$ 141,917	\$ 102,969	\$ 107,772	\$ 4,803
State revenue sharing	13,375	12,732	12,731	(1)
Insurance rebate	17,000	15,577	15,577	-
Interest earned	17	10	7	(3)
Other	50	-	-	-
Total Revenues	<u>172,359</u>	<u>131,288</u>	<u>136,087</u>	<u>4,799</u>
EXPENDITURES:				
Accounting and legal	9,200	4,000	4,360	(360)
Advertising	200	48	48	-
Bank Service Charges		15		15
Capital Outlays	22,000			-
Dispatch		1,327	1,327	-
Dues and subscriptions	700	598	598	-
Fire Prevention	1,600			-
Fuel, gas, and oil	5,000	3,768	5,751	(1,983)
Grant writer			2,250	(2,250)
Hose, Ladder, & Pump Testing	4,000			-
Insurance	26,800	20,146	21,935	(1,789)
Miscellaneous	200			-
Office Expense		285	285	-
Pension expense			3,816	(3,816)
Postage				-
Repairs and maintenance	22,200	10,283	22,561	(12,278)
Station Upkeep	2,500	3,332	3,928	(596)
Supplies	8,000	23,055	24,959	(1,904)
Telephone		2,562	2,892	(330)
Training	3,000	3,229	3,229	-
Utilities	9,500	4,157	6,112	(1,955)
Debt service:				-
Principal retirement	45,000			-
Interest	12,900			-
Administration Fee	350			-
Total expenditures	<u>173,150</u>	<u>76,805</u>	<u>104,051</u>	<u>(27,246)</u>
Change in Net Position	(791)	54,483	32,036	(22,447)
NET POSITION, JANUARY 1, 2016	<u>363,676</u>	<u>363,676</u>	<u>363,676</u>	<u>-</u>
NET POSITION, DECEMBER 31, 2016	<u>\$ 362,885</u>	<u>\$ 418,159</u>	<u>\$ 395,712</u>	<u>\$ (22,447)</u>

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

Schedule II

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2016**

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.

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

Schedule III

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2016**

COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

Agency Head: Jerry Hughes, Chairmain

No compensation, benefits, or other payments were paid to Mr. Hughes during 2016.

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