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REPORT

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

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

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, either, or 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.

APR 07 1999
Release Date _____

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

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

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TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS


DECEMBER 31, 1998

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

Dear Sir:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Washington Parish Fire Protection District # 3 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 #3
FRANKLINTON, LA

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

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Roby Graves, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Washington Parish Fire Protection District #3 as of December 31, 1998, and the results of the operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Roby Graves, who, duly sworn, deposes and says that the Washington Parish Fire Protection District #3 received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 1998, and accordingly, is not required to have an audit for the previously mentioned fiscal year end.

Roby Graves

Signature

Sworn to and subscribed before me, this 22 day of March, 1999.

Laurie C. Barber

NOTARY PUBLIC

Officer Roby Graves

Address 29261 White Hayes Creek Rd.

Franklinton, LA 70438

Telephone # (504) 839-4757

Durden and Alonzo

CERTIFIED PUBLIC ACCOUNTANTS

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

William R. Durden

Donna W. Alonzo

Board of Commissioners
Washington Parish Fire
Protection District # 3
Franklinton, Louisiana

We have compiled the accompanying financial statements with supplementary information contained in Schedule I, which is presented only for supplementary analysis purposes, of the Washington Parish Fire Protection District # 3, a component unit of the Washington Parish Government, as of and for the year ended December 31, 1998, in accordance with the Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary information, and accordingly, do not express an opinion or any other form of assurance on them.

Durden and Alonzo

Durden and Alonzo
Certified Public Accountants

March 11, 1999

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 3
 WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana

All Fund Types and Account Groups

Balance Sheet
 December 31, 1998

	Governmental Funds			Account Groups		Total
	General Fund	Debt Service Fund	General Fixed Assets	General Long-Term Obligations	Memorandum Only	
ASSETS AND OTHER DEBITS						
ASSETS:						
Cash and cash equivalents	\$ 7,326	\$ 100	\$ -	\$ -	\$ 7,426	
Receivables	25,375	-	-	-	25,375	
Prepaid expenses	5,501	-	-	-	5,501	
Land, buildings & equipment	-	-	157,011	-	157,011	
OTHER DEBITS:						
Amount available in Debt Service Fund	-	-	-	100	100	
Amount to be provided for retirement of long-term obligations	-	-	-	34,900	34,900	
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 38,202</u>	<u>\$ 100</u>	<u>\$ 157,011</u>	<u>\$ 35,000</u>	<u>\$ 230,313</u>	
LIABILITIES, EQUITY, AND OTHER CREDITS						
LIABILITIES:						
Certificates of Indebtedness	\$ -	\$ -	\$ -	\$ 35,000	35,000	
Total Liabilities	-	-	-	35,000	35,000	
EQUITY AND OTHER CREDITS:						
Investment in general fixed assets	-	-	157,011	-	157,011	
Fund balance - unreserved	38,202	100	-	-	38,302	
Total Equity and Other Credits	<u>38,202</u>	<u>100</u>	<u>157,011</u>	<u>-</u>	<u>195,313</u>	
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$ 38,202</u>	<u>\$ 100</u>	<u>\$ 157,011</u>	<u>\$ 35,000</u>	<u>\$ 230,313</u>	

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

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

GOVERNMENTAL FUNDS

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

	General	Debt Service	Total
REVENUES:			
Parcel fee assessment	\$ 25,375	\$ -	\$ 25,375
State revenue sharing	4,772	-	4,772
Sale of truck	700	-	700
Other revenue	656	-	656
Total Revenues	31,503	-	31,503
EXPENDITURES:			
Insurance	6,768	-	6,768
Repairs and maintenance	6,102	-	6,102
Utilities	623	-	623
Fuel and oil	1,715	-	1,715
Capital outlay	18,343	-	18,343
Legal and accounting	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	2,462	2,462
Other	3,193	-	3,193
Total expenditures	36,744	2,462	39,206
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,241)	(2,462)	(7,703)
OTHER SOURCES AND FUND TRANSFERS			
Fund transfers	(2,462)	2,462	-
Total other sources and fund transfers	(2,462)	2,462	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES AND FUND TRANSFERS OVER (UNDER) EXPENDITURES	(7,703)	-	(7,703)
FUND BALANCE, JANUARY 1, 1998	45,905	-	45,905
FUND BALANCE, DECEMBER 31, 1998	\$ 38,202	\$ -	\$ 38,202

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

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

GOVERNMENTAL FUNDS

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Ad valorem taxes	\$ 25,000	\$ 25,375	\$ 375
State revenue sharing	4,600	4,772	172
Sale of fire truck	-	700	700
Other revenue	200	656	456
Total Revenues	<u>29,800</u>	<u>31,503</u>	<u>1,703</u>
EXPENDITURES:			
Insurance	6,900	6,768	132
Repairs and maintenance	3,500	6,102	(2,602)
Utilities	920	623	297
Capital Outlay	8,800	18,343	(9,543)
Legal and accounting	1,750	-	1,750
Fuel and Oil	900	1,715	(815)
Other	800	3,193	(2,393)
Total expenditures	<u>23,570</u>	<u>36,744</u>	<u>(13,174)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,230</u>	<u>(5,241)</u>	<u>(11,471)</u>
OTHER SOURCES AND FUND TRANSFERS			
Fund transfers	<u>(6,166)</u>	<u>(2,462)</u>	<u>3,704</u>
Total other sources and fund transfers	<u>(6,166)</u>	<u>(2,462)</u>	<u>3,704</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES AND FUND TRANSFERS OVER (UNDER) EXPENDITURES	64	(7,703)	(7,767)
FUND BALANCE, JANUARY 1, 1998	<u>45,905</u>	<u>45,905</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 1998	<u>\$ 45,969</u>	<u>\$ 38,202</u>	<u>\$ (7,767)</u>

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

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

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

INTRODUCTION

As provided by Louisiana Revised Statute 40:1496.12C, the Fire Protection District Number Three of Washington Parish was created. The District shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The district shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tank, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the parish governing body of the district for the protection of the property within the limits of the district against fire.

The governing body of the parish shall appoint a five member board that shall perform all duties, functions, and powers responsible for the operation and maintenance of the district. All funds of the district shall be administered by the board. The board of commissioner members may be paid a per diem of fifty dollars for attending meetings of the board, and may be reimbursed any expenses incurred in performing the duties imposed upon them.

The District encompasses approximately 80 square miles in a portion of Wards 8 and 3 of Washington Parish, and serves approximately 2,600 people and several small businesses living and operating within the boundaries of the district. The District operates three fire stations which are located as follows: one in Warnerton, Louisiana, a second on LA Highway 38 in the Hayes Creek Community, and a third on LA Highway 430 in Hackley, Louisiana, with a totally volunteer staff of firefighters.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Washington Parish Fire Protection District # 3 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units.

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

B. 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 government, (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.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

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

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:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government 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 government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
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 government appoints a voting majority of the district's governing board and the parish government 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.

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 disbursements of specific or legally restricted moneys, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

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

- a. General Fund – the general operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds.
- b. Debt Service Fund – the debt service fund of the District accounts for the matured portion of and the payment of principal and interest of liabilities of the General Long-term Debt Account Group.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized in the accounting period they become available and measurable. Donations, fund raising net revenues and state revenue sharing is recorded when received. 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. Property tax revenues are recorded when levied. 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

The proposed budget for 1998 was made available for public inspection at the November 11, 1997, regular meeting. After discussion and explanation the budget was approved by the board.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess revenue over expenditures are carried forward to the subsequent year as beginning fund balances.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management device.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

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

F. ENCUMBRANCES

The District does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

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

H. PREPAID ITEMS

The District uses the allocation method of recording prepaid expenses.

I. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed and the related assets are reported in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost.

J. COMPENSATED ABSENCES

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

K. LONG-TERM OBLIGATIONS

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

L. FUND EQUITY

Reserves

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

Designated Fund Balances

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

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 3
 WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana

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

M. TOTAL COLUMNS ON STATEMENTS

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

2. LEVIED TAXES

On November 18, 1989, 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 obtaining water for fire protection purposes and salaries of firemen, and all purposes incidental thereto.

<u>Number of Taxpayers</u>	<u>Levied Fee</u>	<u>1998 Assessed Fees</u>
725	\$35.00	\$ 25,375.

3. CASH AND CASH EQUIVALENTS

At December 31, 1998, the District has cash and cash equivalents totaling \$7,426., as follows:

Interest bearing demand deposits	\$ 7,326.
Demand deposits	<u>100.</u>
Total cash and cash equivalents	<u>\$ 7,426.</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1998, the District had \$7,426. in deposits (collected bank balances). These deposits were secured from risk by \$100,000. of the federal deposit insurance.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

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

4. RECEIVABLES

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

<u>Class of receivable</u>	<u>General Fund</u>
Parcel fee assessment	\$ <u>23,375.</u>

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance January 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 1998</u>
Fire trucks	\$ 84,360	\$ -	\$ 5,000.00	\$ 79,360
Buildings	18,159	1,275	-	19,434
Equipment	41,149	17,068	-	58,217
TOTAL	\$ 143,668	\$ 18,343	\$ 5,000.00	\$ 157,011

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

	<u>Balance January 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 1998</u>
Certificate of indebtedness	\$ 35,000	\$ -	\$ -	\$ 35,000
TOTAL	\$ 35,000	\$ -	\$ -	\$ 35,000

On April 3, 1997, the District issued a \$40,000 certificate of indebtedness to Hancock Bank of Louisiana in Franklinton, Louisiana, at an interest rate of six and ninety-five hundredths per centum (6.95%) per annum. The principal shall mature in annual installments on March 1 of each of the years as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>
1999	\$5,000	2001	\$6,000	2003	\$6,000
2000	5,000	2002	6,000	2004	7,000

WASHINGTON PARISH FIRE PROTECTION DISTRICT #3
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

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

On August 27, 1997, the District paid the \$5,000 principal payment that was due March 1, 1998. Therefore, the district was not required to make a principal payment on March 1, 1998.

7. LITIGATION AND CLAIMS

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

8. RELATED PARTY TRANSACTIONS

There were no related party transactions recorded in the books and records of the Washington Parish Fire Protection District #3 for the year ended December 31, 1998.

9. SUBSEQUENT EVENTS

There were no subsequent events after the balance sheet date requiring disclosure.

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 3
WASHINGTON PARISH GOVERNMENT
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 were not paid compensation in any form.

See accountant's report