

Prime Year's Findings:

The current status of the findings in the prime year audit report are as follows:

1. Actual expenditures exceeded the budget by more than 2%. Corrective action has been taken. This finding is considered closed.
2. Minutes of board meetings not published - For the year ended December 31, 1996, the District did not publish its minutes as required by LRS 41c171. Again, we recommend that the District comply with LRS 41c171. In a letter dated June 17, 1997, management of the District informed us that the minutes of board meetings would be published beginning in 1997.

Kenneth D. Falden & Co.
Certified Public Accountants

Kenneth D. Falden, CPA

Ted W. Goodstein, CPA

Members
Society of Louisiana
Certified Public Accountants

392 Eighth Street
Ametree, LA 71221
(504) 335-7144
FAX (504) 258-7141

Members
American Institute of
Certified Public Accountants

Denny Ford, Chairman
and Members of the Board of Commissioners
Ward 3 Fire Protection District
P. O. Box 150
Chatham, LA 71216

In performing our compilation with attention engagement of the financial statements of the Ward 3 Fire Protection District, as of and for the year ended December 31, 1996, part of the agreed-upon procedures included a review of the prior year suggestions, recommendations, and/or comments and the extent to which such matters have been resolved.

During our audit, as of and for the year ended December 31, 1996, we became aware of certain matters involving the internal control structure and non-compliance with laws that were opportunities for strengthening internal controls and compliance requirements. The memorandum that accompanies this letter summarizes our comments regarding the current status of those matters.

Sincerely,



Kenneth D. Falden & Co., CPAs
June 17, 1997

10.

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

11.

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

As stated in procedure (5), the district has no employees. A reading of the minutes of the district for the year indicated no approval for the payments noted.

We have not engaged in, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Ward 3 Fire Protection District 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. However, this report is a matter of public record and its distribution is not limited.



KENNETH D. POINDEXTER & CO.
Certified Public Accountants

Jarroldene, Louisiana
June 17, 1997

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included in the listing obtained from management in agreed-upon procedure (1) as immediate family members.

As stated in procedure (3), the district has no employees.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. The budget was amended once during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on December 4, 1995 which indicated that the budget had been approved by all of the commissioners. We traced the amendments to the minutes of a meeting held on December 2, 1996 which indicated that the amended budget had been approved by the commissioners.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:
(a) trace payments to supporting documentation to its proper amount and payee

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account, and

The six selected disbursements were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

The six selected disbursements were traced to the district's minute book where they were approved by the commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Ward 3 Fire Protection District is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Management has informed us that these documents were being properly posted.

Kenneth D. Falden & Co.
Certified Public Accountants

Kenneth D. Falden, CPA

101 W. Franklin, J. FA

Shreveport
Bureau of Louisiana
Certified Public Accountants

361 Eighth Street
Baton Rouge, LA 71221
(504) 379-1141
FAX (504) 249-7333

Shreveport
American Institute of
Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Danny Piro, Chairman
and Members of the Board of Commissioners
Ward 3 Fire Protection District
P. O. Box 150
Chauhan, LA 71126

We have performed the procedures included in the *Louisiana Government Audit Guide* and summarized below, which was agreed to by the management of the Ward 3 Fire Protection District of Jackson Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Ward 3 Fire Protection District's compliance with certain laws and regulations during the year ended December 31, 1996 included in the accompanying *Louisiana Government Audit Guide*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purposes for which this report has been requested or for any other purposes.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$25,000, and determine whether such purchases were made in accordance with LSA-RS 38:211-221 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$5,000 nor any expenditures were made for public works exceeding \$25,000.

Code of Ethics for Public Officials and Public Employees

1. Obtain from management a list of the immediate family members of each board member as defined by LSA-PS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the stated information.

3. Obtain from management a listing of all employees paid during the period under examination.

The Ward 3 Fire Protection District has no employees.

WARD 7 FIRE PROTECTION DISTRICT
 Jackson Parish, Louisiana
 Notes to the Financial Statements (Continued)

3. TOTAL COLUMNS OF COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

3. LEVIED TAXES

The District was authorized and levied a \$8.83 mill ad valorem tax for the year ended December 31, 1996.

3. CASH AND CASH EQUIVALENTS

At December 31, 1996, the District has cash and cash equivalents (book balances) totaling \$116,395, as follows:

Interest-bearing demand deposits	391,548
Time deposit	<u>63,828</u>
	<u>\$116,395</u>

These deposits are in cost, which approximates market. Under state law, these deposits (or the resulting book balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1996, the District has \$116,395 in deposits (adjusted book balances). These deposits are secured from risk by \$116,395 of federal deposit insurance.

4. FIXED ASSETS

The changes in general fixed assets follow:

	Balance January 1, 1995	Additions	Deletions	Balance December 31, 1996
Buildings	\$4,938			\$4,938
Furniture	<u>155,464</u>	<u>1,077</u>		<u>156,541</u>
Total	<u>\$160,402</u>	<u>\$1,077</u>	<u>\$0,000</u>	<u>\$161,479</u>

5. PENSION PLANS

The District does not participate in any pension or retirement plans.

6. LITIGATION AND CLAIMS

The District is not involved in any litigation at December 31, 1996.

WARD 3 FIRE PROTECTION DISTRICT
Jackson Parish, Louisiana
Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING (Continued)

Revenues (Continued)

All valorem taxes are collected by the Jackson Parish Tax Collector and remitted to the Ward 3 Fire Protection District. Therefore, amounts received during the current period are recognized as revenues, and amounts collected by the Tax Collector during the current period and received by the District within 60 days after December 31 are recorded as a receivable.

Intergovernmental revenues are recorded when the District is entitled to the funds. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting, when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

E. BUDGETS

Budget was prepared on a basis consistent with generally accepted accounting principles (GAAP). Budget was made available for public inspection at the time of adoption. The Board of Commissioners must meet and approve all budget changes or amendments. At year end, all appropriations lapse. Budget amounts for the year ended December 31, 1996, are as amended.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

G. CASH AND CASH EQUIVALENTS

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

H. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (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 cost if historical cost is not available. Depreciated fixed assets are stated at their estimated fair market value on the date of valuation.

I. COMPENSATED ABSENCES

There are no accumulated and vested benefits relating to vacation and sick leave as the District has no employees.

WARD 3 FIRE PROTECTION DISTRICT
Jackson Parish, Louisiana
Notes to the Financial Statements (Continued)

B. REPORTING ENTITY (Continued)

Because the police jury approves the organization's governing body, and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury, the District was determined to be a component unit of the Jackson Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The District uses a fund 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. On the other hand, an account group 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 financial resources.

Funds of the District are classified as one category: governmental. This category is divided into one fund type. A description of this fund classification and the fund type follows:

Governmental Funds

Governmental funds account for all of the District's general activities, including the collection and disbursement of specific or legally restricted monies, and acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

- **General Fund**—the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

B. BASIS OF ACCOUNTING

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally 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 all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

All revenues are recorded on a calendar year basis by the Tax Assessor of Jackson Parish. The Jackson Parish Tax Collector sends notices to property owners in either September or October. Taxes are due from property owners upon receipt of notice. Billed taxes become delinquent on December 31 of the current year. Ad valorem taxes attach as an enforceable lien on property as of December 31 of each year. The taxes are generally collected in December of the current year and January and February of the ensuing year.

WARD 3 FIRE PROTECTION DISTRICT
Jackson Parish, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1996

INTRODUCTION

The Ward 3 Fire Protection District of Jackson Parish is located in the eastern portion of Jackson Parish in northeast Louisiana. As provided by Louisiana Revised Statute 46:1484, the District is governed by a Board of Commissioners consisting of five members: two members are appointed by the Jackson Parish Police Jury; two members are appointed by the mayor and board of aldermen of Church, Louisiana; and one member who serves as chairman, is elected by the four appointed board members. Commissioners are residents of the District and serve staggered one and two-year terms. The members of the Board of Commissioners do not receive compensation.

The District was created to provide safety for the prevention and control of fires within the approximate 147 square mile area of the District. The District has acquired land, buildings, and equipment in the effort to achieve its goals. Residents of the district serve as volunteer firemen.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental 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 Jackson Parish Police Jury is the financial reporting entity for Jackson Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 Jackson Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

WARD 3 FIRE PROTECTION DISTRICT
Jackson Parish, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement B

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1986

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$27,837	\$28,888	\$1,051
Intergovernmental - Police Jury grants	5,788	5,788	
Interest	4,069	4,070	1
Contributions	89	89	
Total revenues	\$37,783	\$38,835	\$1,052
Expenditures:			
Current:			
Public safety:			
Repairs and maintenance	376	422	(46)
Radio system maintenance	4,781	4,781	
Statutory deduction	2,179	2,189	(10)
Insurance	5,868	5,568	300
Training	68	68	
Legal and accounting	1,458	1,458	
Fuel	263	264	(1)
Telephone and utilities	287	284	(3)
Miscellaneous	1,131	1,239	(108)
Capital outlay	1,120	1,177	(57)
Total expenditures	\$12,458	\$12,481	(\$23)
EXCESS OF REVENUES OVER EXPENDITURES	\$25,325	\$26,354	\$1,029
FUND BALANCE AT BEGINNING OF YEAR	128,307	128,307	
FUND BALANCE AT END OF YEAR	\$153,632	\$154,661	\$1,029

See Accountants' Compilation Report

WARD 3 FIRE PROTECTION DISTRICT
 Jackson Parish, Louisiana

Statement A

ALL FUND TYPES AND ACCOUNT GROUPS
 Combined Balance Sheet, December 31, 1996

	GOVERNMENTAL FUND TYPE - GENERAL FUNDS	ACCOUNT GROUP - GENERAL FUND ASSETS	TOTAL (MEMORANDA ONLY)
	ASSETS AND OTHER DEBITS		
Assets:			
Cash and cash equivalents	506,595		506,595
Accounts receivable - Ad valorem taxes	36,615		36,615
Land, plant, and equipment		159,456	159,456
TOTAL ASSETS	543,210	159,456	702,666
LIABILITIES, EQUITY AND OTHER CREDITS			
Liability -			
Accounts payable	51,100	50,056	101,156
Equity:			
Investment in general fixed assets		159,456	159,456
Fund balance - Unreserved - undesignated	141,780		141,780
Total Equity	141,780	159,456	301,236
TOTAL LIABILITIES AND FUND EQUITY	543,210	159,456	702,666

See Accountants' Compilation Report

Kenneth D. Falden & Co.
Certified Public Accountants

Kenneth D. Falden, CPA

Ted W. Sandelin, CPA

Members
Society of Louisiana
Certified Public Accountants

282 Fifth Street
Jackson, LA, 71201
(601) 248-7338
FAX (601) 239-1344

Members
American Institute of
Certified Public Accountants

ACCOUNTANTS' COMPILATION REPORT

Erney Peol, Chairman
and Members of the Board of Commissioners
Ward 3 Fire Protection District
P. O. Box 158
Chalmette, LA 71226

We have compiled the accompanying general purpose financial statements of the Ward 3 Fire Protection District, Jackson Parish, Louisiana, a component unit of the Jackson Parish Police Jury, in accordance with standards established by the American Institute of Certified Public Accountants.

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


KENNETH D. FALDEN & CO.
Certified Public Accountants

Jamboree, Louisiana
June 15, 1997

WARD 3 FIRE PROTECTION DISTRICT
A Component Unit of the Jackson Parish Police Jury
Jackson Parish, Louisiana

*General Purpose Financial Statements
and Accountants' Compilation Report
As of and for the Year Ended December 31, 1996*

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WARD 3 FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE JACKSON PARISH POLICE JURY
JACKSON PARISH, LOUISIANA

GENERAL PURSIVE FINANCIAL STATEMENTS
AND ACCOUNTANTS' COMPILATION REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: APR 30 2007

KENNETH D. FOLDEN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

340 EIGHTH STREET, MONROE, LA 70131
504 835-7154
FAX 504 835-7000