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**WINN PARISH FIRE PROTECTION DISTRICT NO. 3  
WINNFIELD, LOUISIANA  
ANNUAL FINANCIAL REPORT  
DECEMBER 31, 1998 & 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 8-30-00

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# WHITE & BATES

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STEVEN F. BATES, C.P.A.

## INDEPENDENT AUDITORS' REPORT

July 12, 2000

Board of Commissioners  
Winn Parish Fire Protection District No. 3  
Winnfield, Louisiana

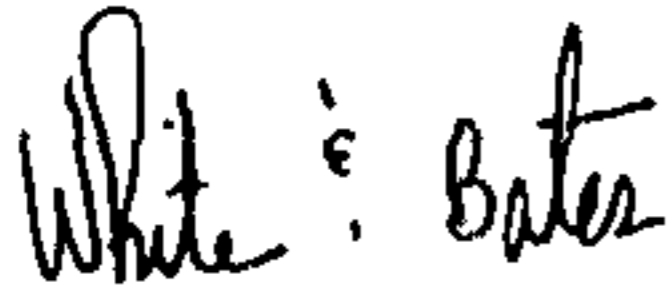
We have audited the accompanying financial statements of the Winn Parish Fire Protection District No. 3, a component unit of the Winn Parish Police Jury, as of December 31, 1998 and 1999 and from the date of inception of operations on November 4, 1998 to December 31, 1998 and for the year ended December 31, 1999, as listed in the table of contents. These financial statements are the responsibility of the management of the Winn Parish Fire Protection District No. 3. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Winn Parish Fire Protection District No. 3, as of December 31, 1998 & 1999, and the results of its operations for the period ended December 31, 1998 and the year ended December 31, 1999 in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have issued a report dated July 12, 2000 on our consideration of the Winn Parish Fire Protection District No. 3 internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Winn Parish Fire Protection District No. 3. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Handwritten signature in cursive script that reads "White & Bates".

White & Bates  
July 12, 2000  
Winnfield, Louisiana 71483

**COMPONENT UNIT FINANCIAL STATEMENTS**

## WINN PARISH FIRE PROTECTION DISTRICT NO. 3

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 1998

	GOVERNMENTAL FUND TYPES			ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATION		
ASSETS							
Cash and Cash Equivalents (Note 3)	\$ 175,574	\$ 45,038	\$ 270,100	\$ 254	\$ 282,372		\$ 45,038
Investments (Note 4)	7,980	2,243,161	13,089				2,243,161
Property Tax Receivable (Note 2)							445,674
Due From Other Funds (Note 6)							21,069
General Fixed Assets (Note 5)							254
Amount Available In Debt Service Fund Amount to be Provided for Retirement of General Long Term Obligations							282,372
TOTAL ASSETS	<u>\$ 183,554</u>	<u>\$ 2,288,199</u>	<u>\$ 283,189</u>	<u>\$ 254</u>	<u>\$ 2,250,000</u>		<u>\$ 1,967,628</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES:							
Accounts Payable		\$ 39,793	\$ 817				\$ 39,793
Accrued Interest Payable							817
Due to Other Funds (Note 6)		21,069					21,069
Bonds Payable (Note 7)					\$ 2,250,000		2,250,000
TOTAL LIABILITIES		<u>60,862</u>	<u>817</u>		<u>2,250,000</u>		<u>2,311,679</u>
FUND EQUITY:							
Investment in General Fixed Assets				\$ 254			254
Reserved for Capital Projects		2,227,337					2,227,337
Reserved for Debt Service			282,372				282,372
Unreserved-Undesignated Fund Balance	\$ 183,554						183,554
TOTAL FUND EQUITY	<u>183,554</u>	<u>2,227,337</u>	<u>282,372</u>	<u>254</u>			<u>2,693,517</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 183,554</u>	<u>\$ 2,288,199</u>	<u>\$ 283,189</u>	<u>\$ 254</u>	<u>\$ 2,250,000</u>		<u>\$ 5,005,196</u>

The accompanying notes are an integral part of this statement

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

STATEMENT B

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 1999

ASSETS	GOVERNMENTAL FUND TYPES			ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATION		
Cash and Cash Equivalents (Note 3)	\$ 5,204	\$ 4,968	\$ 14,012			\$ 10,172	
Investments (Note 4)	175,313	2,279,786	\$ 14,012			2,469,111	
Property Tax Receivable (Note 2)	184,035		283,115			467,150	
Due From Other Funds (Note 6)	9,126		20,052			29,178	
General Fixed Assets (Note 5)				\$ 626,355	\$ 313,301	626,355	
Amount Available In Debt Service Fund						313,301	
Amount to be Provided for Retirement of General Long Term Obligations					1,761,699	1,761,699	
<b>TOTAL ASSETS</b>	<u>\$ 373,678</u>	<u>\$2,284,754</u>	<u>\$ 317,179</u>	<u>\$ 626,355</u>	<u>\$ 2,075,000</u>	<u>\$ 5,676,966</u>	
<b>LIABILITIES AND FUND EQUITY</b>							
<b>LIABILITIES:</b>							
Accounts Payable	\$ 2,811	\$ 547,662	\$ 3,878			\$ 550,473	
Due to Other Funds (Note 6)		25,300				29,178	
Bonds Payable (Note 7)					\$ 2,075,000	2,075,000	
<b>TOTAL LIABILITIES</b>	<u>2,811</u>	<u>572,962</u>	<u>3,878</u>	<u>-</u>	<u>2,075,000</u>	<u>2,654,651</u>	
<b>COMMITMENTS ( Note 9)</b>							
<b>FUND EQUITY:</b>							
Investment in General Fixed Assets				\$ 626,355		626,355	
Reserved for Equipment Replacement	51,000					51,000	
Reserved for Capital Projects		1,711,792				1,711,792	
Reserved for Debt Service			313,301			313,301	
Unreserved-Undesignated Fund Balance	319,867					319,867	
<b>TOTAL FUND EQUITY</b>	<u>370,867</u>	<u>1,711,792</u>	<u>313,301</u>	<u>626,355</u>	<u>-</u>	<u>3,022,315</u>	
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 373,678</u>	<u>\$2,284,754</u>	<u>\$ 317,179</u>	<u>\$ 626,355</u>	<u>\$ 2,075,000</u>	<u>\$ 5,676,966</u>	

The accompanying notes are an integral part of this statement.

## WINN PARISH FIRE PROTECTION DISTRICT NO. 3

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 ALL GOVERNMENTAL FUND TYPES  
 FROM DATE OF INCEPTION OF OPERATIONS (NOVEMBER 4, 1998) TO DECEMBER 31, 1998

	GENERAL FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTALS (MEMORANDUM ONLY)
REVENUES:				
Property Taxes	\$ 183,554		\$ 282,372	\$ 465,926
Intergovernmental Revenue				
Interest Income	-	\$ 17,411	-	17,411
TOTAL REVENUES	<u>183,554</u>	<u>17,411</u>	<u>282,372</u>	<u>483,337</u>
EXPENDITURES:				
Current:				
Public Safety - Bank Charges		27		27
Bond Issue Expenses		39,793		39,793
Capital Outlay		254		254
TOTAL EXPENDITURES	<u>-</u>	<u>40,074</u>	<u>-</u>	<u>40,074</u>
Excess (Deficit) of Revenues Over Expenditures	183,554	( 22,663)	282,372	443,263
OTHER FINANCING SOURCES:				
Proceeds From General Obligation Bonds	-	2,250,000	-	2,250,000
Excess (Deficit) of Revenues & Other Financing Sources Over Expenditures	183,554	2,227,337	282,372	2,693,263
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 183,554</u>	<u>\$ 2,227,337</u>	<u>\$ 282,372</u>	<u>\$ 2,693,263</u>

The accompanying notes are an integral part of this statement.



## WINN PARISH FIRE PROTECTION DISTRICT NO. 3

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL GOVERNMENTAL FUND TYPES  
FOR YEAR ENDED DECEMBER 31, 1999

	GENERAL FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTALS (MEMORANDUM ONLY)
REVENUES:				
Property Taxes	\$ 190,172		\$ 292,553	\$ 482,725
Intergovernmental Revenue	18,906			18,906
Interest Income	<u>8,322</u>	\$ 111,950	<u>5,282</u>	<u>125,554</u>
TOTAL REVENUES	<u>217,400</u>	<u>111,950</u>	<u>297,835</u>	<u>627,185</u>
EXPENDITURES:				
Current - Public Safety:				
Bond Issue Expenses		1,375		1,375
Bank Charges		19		19
Office Expenses	542			542
Insurance	5,048			5,048
Utilities	4,332			4,332
Repairs & Maintenance	15,691			15,691
Oil & Gas	1,526			1,526
Legal Advertising	437			437
Accounting	100			100
Consultant	1,087			1,087
Trustee	1,324			1,324
Capital Outlay		626,101		626,101
Debt Service:				
Principal			175,000	175,000
Interest			<u>91,906</u>	<u>91,906</u>
TOTAL EXPENDITURES	<u>30,087</u>	<u>627,495</u>	<u>266,906</u>	<u>924,488</u>
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	187,313	( 515,545)	30,929	( 297,303)
FUND BALANCE AT BEGINNING OF YEAR	<u>183,554</u>	<u>2,227,337</u>	<u>282,372</u>	<u>2,693,263</u>
FUND BALANCE AT END OF YEAR	<u>\$ 370,867</u>	<u>\$1,711,792</u>	<u>\$ 313,301</u>	<u>\$ 2,395,960</u>

The accompanying notes are an integral part of this statement.

## WINN PARISH FIRE PROTECTION DISTRICT NO. 3

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET (GAAP BASIS) AND ACTUAL -  
 GOVERNMENTAL FUND TYPE - GENERAL FUND (SALARY)  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>GENERAL FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Property Taxes	\$ 173,000	\$ 190,172	\$ 17,172
Intergovernmental Revenue	15,000	18,906	3,906
Interest Income	<u>3,000</u>	<u>8,322</u>	<u>5,322</u>
TOTAL REVENUES	<u>191,000</u>	<u>217,400</u>	<u>26,400</u>
EXPENDITURES:			
Current - Public Safety:	140,000	30,087	109,913
Capital Outlay			
Debt Service:			
Principal			
Interest			
TOTAL EXPENDITURES	<u>140,000</u>	<u>30,087</u>	<u>109,913</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	51,000	187,313	136,313
FUND BALANCE AT BEGINNING OF YEAR	<u>183,554</u>	<u>183,554</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 234,554</u>	<u>\$ 370,867</u>	<u>\$ 136,313</u>

The accompanying notes are an integral part of this statement.

## WINN PARISH FIRE PROTECTION DISTRICT NO. 3

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET (GAAP BASIS) AND ACTUAL -  
 GOVERNMENTAL FUND TYPE - GENERAL FUND (SALARY)  
 FOR THE YEAR ENDED DECEMBER 31, 1999

<u>CAPITAL PROJECTS</u>			<u>DEBT SERVICE</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
			\$ 285,000	\$ 292,553	\$ 7,553
\$ 96,000	\$ 111,950	\$ 15,950	6,000	5,282	( 718)
96,000	111,950	15,950	291,000	297,835	6,835
	1,394	( 1,394)			
935,000	626,101	308,899	175,000	175,000	-
			36,665	91,906	( 55,241)
935,000	627,495	307,505	211,665	266,906	( 55,241)
( 839,000)	( 515,545)	323,455	79,335	30,929	( 48,406)
2,227,337	2,227,337	-	282,372	282,372	-
<u>\$1,388,337</u>	<u>\$1,711,792</u>	<u>\$ 323,455</u>	<u>\$ 361,707</u>	<u>\$ 313,301</u>	<u>\$ ( 48,406)</u>

The accompanying notes are an integral part of this statement.

## WINN PARISH FIRE PROTECTION DISTRICT NO. 3

### NOTES TO FINANCIAL STATEMENTS FOR THE PERIODS ENDED DECEMBER 31, 1998 AND 1999

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**THE FIRE PROTECTION DISTRICT NO. 3** - The Winn Parish Fire Protection District No. 3 was created on December 17, 1997 by a resolution of the Winn Parish Police Jury and the Winn Parish Fire Protection District No. 3 ( the "Fire District") began operations on November 4, 1998 with the issue of \$2,250,000 in general obligation Bonds. The Fire District is to provide fire protection to all of Winn Parish outside of the city limits of the City of Winnfield and such area is comprised of a population of some 10,985 per latest population estimates. The Fire District operates through a Board of Commissioners and is governed by various State of Louisiana Revised Statues, including but not limited to LSA-RS 40:1491 to 40:1509.

The following is a summary of the more significant accounting policies:

##### A. BASIS OF PRESENTATION

The accompanying financial statements of the Winn Parish Fire Protection District No.3 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

For financial reporting purposes, GASB Codification Sections establishes criteria and standards for defining the financial reporting entity. The requirements of those sections apply to all levels of state and local governmental units, including primary governments and component units of those primary governments.

The Winn Parish Fire Protection District No. 3 is considered a component unit of the Winn Parish Police Jury since criteria established conclude that the Fire District has some fiscal dependence on the Police Jury for construction of fire protection facilities and related equipment for those facilities. Accordingly, exclusion of the Winn Parish Fire Protection District No. 3 financial statements from those of the Police Jury would create incomplete financial statements of the parish wide governmental organization. Accordingly, these financial statements, are those of a component unit of a primary government, the Winn Parish Police Jury.

## WINN PARISH FIRE PROTECTION DISTRICT NO. 3

### NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE PERIODS ENDED DECEMBER 31, 1998 AND 1999

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#### C. FUND ACCOUNTING

The accounts of the Fire District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The various funds and account groups are reported by generic fund type in the financial statements. Each fund operates with a group of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following fund categories, fund types, and account groups are used by the Fire District:

#### GOVERNMENTAL FUND TYPES:

General Fund (Operations & Maintenance) - The General Fund is the principal fund of the Fire District and is used to account for operations of the Fire District. The fund includes all financial resources of the District except those required to be reported in other funds.

Capital Projects Fund - The Capital Projects Fund is used to account for transactions relating to resources received and used for the acquisition, construction, or improvement of capital facilities and equipment under the terms of the General Obligation Bond issue.

Debt Service Fund - The Debt Service Fund is used to account for financial resources retained and used for the payment of principle and interest on long-term obligations recorded in the general long-term obligations account group.

#### ACCOUNT GROUPS:

General Fixed Assets - This account group is established to account for all fixed assets used in governmental fund type operations. General fixed assets provided by other Governmental Bodies under intergovernmental agreements are not recorded within the general fixed assets account group. Fixed assets are valued at historical cost or estimated historical cost if historical cost is not available. No depreciation has been provided on general fixed assets. The account group is not a fund and is concerned only with the measurement of financial position and does not involve measurement of results of operations.

(Continued)

## WINN PARISH FIRE PROTECTION DISTRICT NO. 3

### NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE PERIODS ENDED DECEMBER 31, 1998 AND 1999

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General Long-Term Obligations - Long-term obligations expected to be financed from the governmental funds are reported in the general long-term account group. Expenditures for principal and interest on bond obligations are recognized in the Debt Service Fund when paid.

#### **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 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 the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** - Ad valorem tax revenues are recorded in the year in which the ad valorem taxes are assessed. Ad valorem taxes are assessed on January 1, become due on November 15, and become delinquent on December 31, of each year. Property taxes paid under protest to tax collector are recognized in periods the tax protest is resolved. All other revenue is recognized in the year in which it is earned and available for use.

**Expenditures** - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is for principal and interest on general long-term debt obligations which is recognized when due in the debt service fund.

#### **E. BUDGETARY PRACTICES**

As required by Louisiana Revised Statutes, the Winn Parish Fire Protection District No. 3 prepared and legally adopted a budget for the General Fund for the year ended December 31, 1999 and in addition, it also adopted budgets for its Debt Service Fund and Capital Projects Fund for that year. The Fire District did not adopt a Budget for its general fund for 1998, as no expenditures were incurred in 1998 in the General Fund. The proposed budgets for 1999 were prepared using generally accepted accounting principles, which is consistent with the basis of accounting used in the preparation of the accompanying

(Continued)

## WINN PARISH FIRE PROTECTION DISTRICT NO. 3

### NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE PERIODS ENDED DECEMBER 31, 1998 AND 1999

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financial statements. The proposed 1999 budgets were made available for the public inspection in February 1999 and adopted at the Board meeting held in February 1999. The timing of the adoption process for the 1999 budget was not in accordance with Louisiana Revised Statutes. All budget appropriations lapse at year-end.

Formal budget integration within the accounting records is not employed as a management control device. The Fire District does not use encumbrance accounting. The budget amounts shown in the financial statements represent the original adopted budget as amended budgets were not prepared.

#### **F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest bearing demand deposits. Under current state law, the Fire Protection District No. 3 may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

#### **G. INVESTMENTS**

State statutes allow the Winn Parish Fire Protection District No. 3 to invest in United States bonds, treasury notes and bills, or certificates of time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost, which approximate market.

#### **H. FIXED ASSETS**

Fixed assets are recorded as expenditures at the time 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 cost.

(Continued)

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE PERIODS ENDED DECEMBER 31, 1998 AND 1999**

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**I. 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 the future use of financial resources.

**J. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements.

**K. TOTAL COLUMN ON COMBINED STATEMENTS**

The total column on the combined statements is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations 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.

**2. AD VALOREM TAXES**

During the period ended December 31, 1998 and year ended December 31, 1999, the following millages were authorized and levied:

	<b>Authorized Millage</b>	<b>Levied Millage</b>
General Fund - Operations & Maintenance	6.50	6.50
Debt Service Fund - Bond Retirement	10.00	10.00

(Continued)



**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**

NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE PERIODS ENDED DECEMBER 31, 1998 AND 1999

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>1999 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Willamette Industries, Inc.	Timber	\$4,620,020	8.2 %
Plum Creek	Timber	4,415,090	7.9 %
Entergy Louisiana Inc.	Public Utilities	3,887,500	6.9 %
Bell South	Telecommunications	1,744,240	3.1 %
Bank of Winnfield & Trust Co.	Bank	<u>1,372,400</u>	<u>2.5 %</u>
	TOTAL	<u>\$16,039,250</u>	<u>28.6%</u>

The property taxes receivable at December 31, 1998 and 1999 recorded in the governmental funds represent amounts due the Fire District for taxes assessed on January 1, of each year but remitted subsequent to December 31, 1998 and 1999 by the Winn Parish Sheriff, the ex-officio tax collector. The property taxes balances required no allowance doubtful accounts, as all amounts were deemed collectible.

**3. CASH AND CASH EQUIVALENTS**

At December 31, 1998 & 1999, the carrying amounts of the Fire District's deposits with financial institutions were \$45,038 and \$10,172 respectively. These deposits are stated at cost, which approximates market, and under state law, these deposits (or the resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. All the Fire District bank balances were fully covered by federal deposit insurance.

**4. INVESTMENTS**

Investments held at December 31, 1998 & 1999, include \$2,243,161 and 2,469,111 in the Louisiana Asset Management Pool Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.165, the investments in LAMP at December 31, 1998 & 1999, are not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under

(Continued)

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE PERIODS ENDED DECEMBER 31, 1998 AND 1999**

the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local government in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U.S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**5. CHANGES IN GENERAL FIXED ASSETS**

The changes in general fixed assets for the period ended December 31, 1998 and the year ended December 31, 1999 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>December 31, 1998</u>				
Land	\$ -	\$ 254	\$ -	\$ 254
Total	<u>\$ -</u>	<u>\$ 254</u>	<u>\$ -</u>	<u>\$ 254</u>
 <u>December 31, 1999</u>				
Land & Improvements	\$ 254	\$ 19,077	\$ -	\$ 19,331
Construction In-Progress	-	8,457	-	8,457
Equipment	-	598,567	-	598,567
Total	<u>\$ 254</u>	<u>\$ 626,101</u>	<u>\$ -</u>	<u>\$ 626,355</u>

(Continued)

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**

NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE PERIODS ENDED DECEMBER 31, 1998 AND 1999

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**6. DUE FROM/TO OTHER FUNDS**

Individual balances due from and to other funds at December 31, 1998 & 1999 are as follows:

<u>December 31, 1998</u>		
<u>FUND</u>	<u>DUE FROM OTHER FUND</u>	<u>DUE TO OTHER FUND</u>
General Fund	\$ 7,980	
Capital Projects Fund		\$ 21,069
Debt Service Fund	\$ 13,089	
<u>December 31, 1999</u>		
<u>FUND</u>	<u>DUE FROM OTHER FUND</u>	<u>DUE TO OTHER FUND</u>
General Fund	\$ 9,126	
Capital Projects Fund		\$ 29,178
Debt Service Fund	\$ 20,052	

**7 CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of general long-term obligation transactions during the period ended December 31, 1998 & the year ended December 31, 1999:

<u>Long-Term Bond Obligations</u>	<u>Amount</u>
Date of Inception	\$ -
Additions - Borrowings	2,225,000
Deductions - Principal Payments	( - )
December 31, 1998	\$2,250,000
Additions - Borrowings	-
Deductions - Principal Payments	( 175,000 )
December 31, 1999	<u>\$2,075,000</u>

(Continued)

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**

NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE PERIODS ENDED DECEMBER 31, 1998 & 1999

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On November 4, 1998, the Fire District issued \$2,250,000 in general obligations bonds, the proceeds of which are to be used to acquire, construct, and equip facilities in the Winn Parish Fire District for the purpose of providing fire protection services to the population in the Fire District boundaries. These bonds, which bear interest at rates from 3.85% to 6.0%, mature over the period to May 1, 2008, are general obligation bonds which are secured by dedicated ad valorem taxes of up to 10.00 mills for the ten year period ended 2007, as approved in a July 18, 1998 election of the voters in the Fire District.

The annual debt service to maturity, including principal and interest, for the long-term general obligation bonds described above is as follows at December 31, 1999:

Year Ended <u>December 31</u>	General Long-Term <u>Obligations</u>
2000	\$ 271,773
2001	271,992
2002	273,730
2003	275,343
2004	276,397
2005 to 2008	<u>1,111,581</u>
Total	<u>\$2,480,816</u>

**8. EXPENDITURES MADE BY WINN PARISH POLICE JURY**

The Winn Parish Police Jury has constructed and is presently constructing various fire protection facilities in the Winn Parish Fire District under grants to the Police Jury. In addition, the Police Jury is purchasing some fire protection equipment at the facilities it constructs. At the conclusion of the construction of these facilities, the Winn Parish Fire District will assume the operation and maintenance of such facilities under an intergovernmental agreement.

**9. COMMITMENTS**

At December 31, 1999, the Fire District had commitments to purchase three (3) 1500 gallon tanker/pumper fire trucks at a cost of \$133,198 each. This commitment is for a bid awarded during 1999, in which the equipment will be delivered subsequent to December 31, 1999. In addition, the Fire District has various commitments to equip purchased fire trucks and complete construction projects under way at December 31, 1999.

(Continued)

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**

**NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE PERIODS ENDED DECEMBER 31, 1998 & 1999**

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**10. LITIGATION**

The Winn Parish Fire Protection District No. 3 was not involved in any litigation at December 31, 1999.

**11. OTHER DISCLOSURES**

There were no subsequent events or related party transactions that require disclosures in these notes to the December 31, 1998 & 1999 financial statements.

(Concluded)

SUPPLEMENTAL INFORMATION SCHEDULE

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**

**SCHEDULE OF COMPENSATION PAID TO THE BOARD OF COMMISSIONERS  
FOR THE PERIODS ENDED DECEMBER 31, 1998 & 1999**

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The Winn Parish Fire Protection District No. 3 paid no compensation to any of its Board of Commissioners during the period ending December 31, 1998 and the year ended December 31, 1999.

Presented as additional analytical data.

INTERNAL CONTROL AND COMPLIANCE SECTION



# WHITE & BATES

CERTIFIED PUBLIC ACCOUNTANTS

203 NORTH ABEL STREET

P. O. BOX 1397

WINNFIELD, LA 71483

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(318) 628-3985

FAX (318) 628-3988

LAWRENCE I. WHITE, C.P.A.

STEVEN F. BATES, C.P.A.

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To The Board of Commissioners  
Winn Parish Fire Protection District No. 3  
Winnfield, Louisiana

We have audited the financial statements of the Winn Parish Fire Protection District No. 3, a component unit of the Winn Parish Police Jury, from the date of inception of operations, November 4, 1998 to December 31, 1998 and for the year ended December 31, 1999, and have issued our report thereon dated July 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Winn Parish Fire Protection District No. 3 compliance with certain provisions of laws, regulations, contracts, and grants, 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the Board of Commissioners of the Winn Parish Fire Protection District No. 3 in a separate letter dated July 12, 2000.

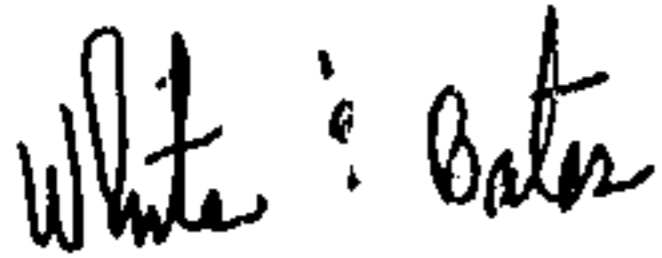
### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Winn Parish Fire Protection District No. 3's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could

adversely affect the Fire District's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings as item B-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition noted above, item B-1, we consider to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to Board of Commissioners of the Fire District in a separate letter dated July 12, 2000.

This report is intended solely for the information and use of management, others within the organization, and the Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



White & Bates, CPA's  
July 12, 2000  
Winnfield, Louisiana 71483

WINN PARISH FIRE PROTECTION DISTRICT NO. 3  
SCHEDULE OF FINDINGS  
YEAR ENDED DECEMBER 31, 1999

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Winn Parish Fire Protection District No. 3.
2. One reportable condition disclosed during the audit of the general purpose financial statements is reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. The condition is reported as a material weakness.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

**REPORTABLE CONDITIONS**

**1. Financial Information**

**Finding** - The Winn Parish Fire Protection District No. 3 is responsible for maintaining and posting monthly cash receipt and disbursement transactions in a general ledger system that conforms to its various funds. This responsibility extends to general accounting records being organized in a manner which facilitates the use and examination of such data in a manner that is consistent with good business practices, and the requirements for governmental bodies contained in various Louisiana State statues. Your records, while maintained in a check register format, were not organized in a manner that facilitated an orderly examination and, accordingly, efforts had to be expended to organize, summarize, classify, and file such data in an appropriate manner. This situation also does not provide for timely financial information to the Fire District for proper management of its operations.

**Recommendation** - We recommend that the Fire District implement the following suggestions regarding financial information:

- a. A general ledger by fund category be maintained on a monthly basis for all cash receipt and disbursement transactions.
- b. All invoices by vendor be filed in alphabetical vendor files.
- c. Fire District correspondence files be established for data of ongoing importance, including but not limited to general fixed asset acquisitions, bid documentation, minutes, etc.
- d. The Fire District establish a central filing location for all financial information and records of ongoing importance.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3  
SCHEDULE OF FINDINGS - Continued  
YEAR ENDED DECEMBER 31, 1999

**Response** - We agree with your observations and we will have the general ledger up to date for the year 2000 by the middle of September , 2000, and will establish appropriate filing systems for all records and data. In addition, the Central Fire Station is presently being completed and it is our intention to locate all financial files and records in secure locations at the Fire District's Central Station on Hwy. 501.

**WHITE & BATES**  
*CERTIFIED PUBLIC ACCOUNTANTS*  
203 NORTH ABEL STREET  
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-----  
(318) 628-3985  
FAX (318) 628-3988

LAWRENCE I. WHITE, C.P.A.

STEVEN F. BATES, C.P.A.

July 12, 2000

Board of Commissioners  
Winn Parish Fire Protection District No. 3  
P. O. Box 70  
Winnfield, LA 71483

Dear Board of Commissioners:

In planning and performing our audit of the general purpose financial statements of the Winn Parish Fire Protection District No. 3, as of and for the periods ended December 31, 1998 and 1999, we considered the Fire District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. We also performed tests of the Fire District's compliance with certain provisions of law, regulations, contracts, and grants for the purpose of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement and not to provide an opinion on the overall compliance with such provisions.

During the course of our audit we became aware of several matters that we believe are opportunities for strengthening the internal control over financial reporting, improving compliance with certain laws and regulations, and for obtaining increased utilization of resources and operating efficiency. The following sections of this letter summarize our comments and suggestions and this letter does not affect our reports dated July 12, 2000 on the general purpose financial statements or the related reports on internal control over financial reporting and compliance.

#### **1. BID DOCUMENTS & PROCESS**

**Observation** - The Winn Parish Fire Protection District No. 3 is presently involved in numerous bid situations and has generally exceeded or complied with the various Louisiana Statutes regarding appropriate bid procedures. The Fire District has not done an adequate job in summarizing or documenting the bid process and, accordingly, a great deal of effort was expended in gathering appropriate data to document the bidding process. The process involves but is not limited to the following considerations:

- . Maintaining copies of the Ads in the local paper.
- . Maintaining lists of parties that request Bid specifications.

## MANAGEMENT LETTER (Continued)

- . Documenting Bid openings with date, time, and parties present.

These considerations properly documented at the time being performed, along with your other procedures, will insure proper files that can be evaluated in an orderly manner.

**Recommendation** - We recommend that files be established for each bid situation with appropriate documentation for the advertising process, parties who request bids, bid opening documentation and the final results of bid awards.

### 2. BUDGETS

**Observation** - The Fire District adopted a budget for each of its funds (General, Debt Service, & Capital Projects) for the year ended December 31, 1999, but did not adopt such budget in a timely manner. In addition, the budgets were not required to be amended and were not amended.

**Recommendation** - The Fire District should adopt budgets for each year by 15 days prior to the start of the calendar year, as it did with its 2000 budget and while not always required, we believe that amendments to adopted budgets should be made each year in order to exercise control over operations and financial events as such take place.

### 3. GENERAL FIXED ASSETS

**Observations** - General fixed assets of the Fire District consist of equipment acquired through purchases, real property acquisitions, and constructed fire station facilities. In addition, the Fire District has been granted and will be granted through intergovernmental agreements equipment and facilities to operate and maintain that were acquired by other governmental bodies. The Fire District presently has an inventory listing of all equipment under its control, but such listing is not segregated by that which it acquired and that which it was granted use of by other governmental bodies. In addition, the Fire District has not used property tags on its moveable equipment or tagged other governmental bodies equipment.

**Recommendations** - The general fixed assets of the Fire District should be segregated by the governmental body that acquired such equipment and the Fire District should begin putting the numbered property tags it recently acquired on all moveable equipment and recording the property tag numbers on its inventory of general fixed assets.

### 4. INTERGOVERNMENTAL AGREEMENTS

**Observation** - The Fire District operates and maintains both equipment and fire station facilities that were acquired or constructed by other governmental bodies. It was noted during

## MANAGEMENT LETTER (Continued)

the examination that certain of these facilities and related equipment may not be under existing intergovernmental agreements due to terms of the initial construction and acquisition agreements of the other governmental bodies.

**Recommendation** - We recommend that the Fire District get with all governmental bodies in the parish in which it anticipates to enter into a intergovernmental service agreement and establish a time frame when such agreement is to begin.

### 5. CALENDER

**Observation** - During the course of our work, we noted many dates during the year which require the Fire District to perform certain acts, initiate certain procedures or adopt certain documents.

**Recommendation** - A calender of events, actions to take, and other important dates should be developed, adopted, and provided to all Commissioners and key personnel. This document should help ensure that the Fire District complies with the various regulations that are date sensitive and will serve as a guide to help the Board and its secretary/treasurer conduct the affairs of the Fire District.

### 6. BOARD OF COMMISSIONER MEETINGS

**Observations** - We have attended several Board of Commissioner meetings and noted that the Board's legal advisor were not in attendance at such meeting. In addition, we noted that notices of such meetings were posted in various locations, but that documentation of such meeting notices were not always maintained.

**Recommendations** - The Fire District legal advisor should be requested to come to all meetings to assist with matters which might arise or require a legal interpretation and in addition, we recommend that copies of all meeting notices and locations where posted be maintained for all regular or special meetings of the Board of Commissioners.

### 7. BOARD OF COMMISSIONER MINUTES

**Observation** - The Secretary/Treasurer to the Board of Commissioners prepares minutes of Board of Commissioner meetings. We noted that in several instances that the Secretary/Treasurer prepared minutes were not signed by the Board Chairman and Secretary/Treasurer after the minuites were approved at subsequent Board meetings.

MANAGEMENT LETTER (Continued)

**Recommendation** - The Secretary/Treasurer to the Board of Commissioners and the Board Chairman should each sign the official minutes of the Board after such minutes are approved at subsequent Board meetings.

We will review these management comments with you in detail, as well as our other observations for improvements in general accounting matters and operations.

Sincerely,

A handwritten signature in cursive script that reads "White & Bates".

White & Bates  
July 12, 2000  
Winnfield, Louisiana 71483





## Winn Parish Fire District #3

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### CORRECTIVE ACTION PLAN

July 14, 2000

The Board of Commissioners respectfully submits the following corrective action plan for the year December 31, 1999

Name and address of independent public accounting firm: White & Bates  
203 North Abel Street  
Winnfield, LA 71483

Audit Period: Period ended December 31, 1998 & Year December 31, 1999

The findings from the December 31, 1999 schedule of findings and the comments from the December 31, 1999 management letter are discussed below.

#### FINDINGS - FINANCIAL STATEMENT AUDIT

#### REPORTABLE CONDITIONS

##### 1. Financial Information

**Recommendation** - We recommend that the Fire District implement the following suggestions regarding financial information:

- a. A general ledger by fund category be maintained on a monthly basis for all cash receipt and disbursement transactions.
- b. All invoices by vendor be filed in alphabetical vendor files.
- c. Fire District correspondence files be established for data of ongoing importance, including but not limited to general fixed asset acquisitions, bid documentation, minutes, etc.
- d. The Fire District establish a central filing location for all financial information and records of ongoing importance.

**Action Taken** - The Fire District will have a current general ledger for all funds by September 15, 2000, and will established appropriate filing systems for all records and data. In addition, all financial records and data will be filed permanently at the Fire District's Central Station on Hwy 501 upon the completion of its construction, which is expected shortly.

## CORRECTIVE ACTION PLAN (CONTINUED)

### MANAGEMENT LETTER COMMENTS

#### 1. BID DOCUMENTS & PROCESS

**Recommendation** - We recommend that files be established for each bid situation with appropriate documentation for the advertising process, parties who request bids, bid opening documentation and the final results of bid awards.

**Action Taken** - We will establish appropriate bid files and will adopt your proposed bid documentation format at our August 14, 2000 Board of Commissioner meeting.

#### 2. BUDGETS

**Recommendation** - The Fire District should adopt budgets for each year by 15 days prior to the start of the calender year and while not always required, we believe that amendments to adopted budgets should be made each year in order to exercise control over operations and financial events as such take place.

**Action Taken** - The Fire District will comply with Louisiana Statues regarding bid laws and will amend its budgets in order to exercise more control over operations and financial events.

#### 3. GENERAL FIXED ASSETS

**Recommendation** - The general fixed assets of the Fire District should be segregated by the governmental body that acquired such equipment and the Fire District should begin putting the numbered property tags it recently acquired on all moveable equipment and recording the property tag numbers on its inventory of general fixed assets.

**Action Taken** - We are presently tagging all moveable equipment with recently acquired numbered property tags and we will also segreparte property by the governmental body which purchased such property.

#### 4. INTERGOVERNMENTAL AGREEMENTS

**Recommendation** - We recommend that the Fire District get with all governmental bodies in the parish in which it anticipates to enter into a intergovernmental service agreement and establish a time frame when such agreement is to begin.

**Action Taken** - We will get with all parish governmental bodies and establish a time frame in which such agreements will take place.

CORRECTIVE ACTION PLAN (CONTINUED)

5. CALENDER

**Recommendation** - A calender of events, actions to take, and other important dates should be developed, adopted, and provided to all Commissioners and key personnel.

**Action Taken** - We will adopt your proposed calender of events for the period August 1, 2000 to December 31, 2001 and will update calender on an annual basis thereafter.

6. BOARD OF COMMISSIONER MEETINGS

**Recommendation** - The Fire District legal advisor should be requested to come to all meetings to assist with matters which might arise or require a legal interpretation and in addition, we recommend that copies of all meeting notices and locations where posted be maintained for all regular or special meetings of the Board of Commissioners.

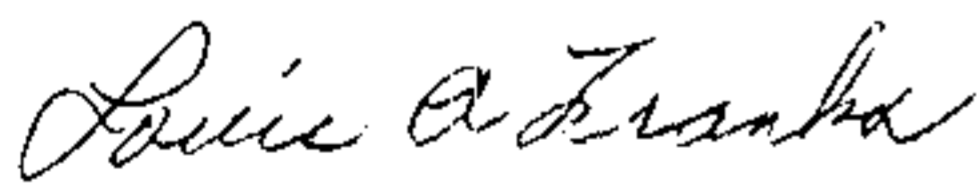
**Action Taken** - We will get with the Fire District legal counsel and request their presence at all Board of Commissioner meetings. In addition, we will document Board of Commissioner meeting dates and notices.

7. BOARD OF COMMISSIONER MINUTES

**Recommendation** - The Secretary/Treasurer to the Board of Commissioners and the Board Chairman should each sign the official minutes of the Board after such minutes are approved at subsequent Board meetings.

**Action Taken** - We will correct this matter for all minutes of the Board of Commissioners.

Sincerely yours,



Lewis Franks,

Board of Commissioner & Fire District Coordinator