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WINN PARISH FIRE PROTECTION DISTRICT NO. 3
WINNFIELD, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2003

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 8-4-04

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the Winn Parish Fire Protection District No. 3, a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose 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 general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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 general purpose 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, 2003, and the results of its operations for the year ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 14, 2004 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose 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 general purpose 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 general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



White & Bates
June 14, 2004
Winnfield, Louisiana 71483

GENERAL PURPOSE FINANCIAL STATEMENTS

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

STATEMENT A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2003

	GOVERNMENTAL FUND TYPES		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	DEBT SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATION	
ASSETS					
Cash and Cash Equivalents (Note 3)	\$ 14,844				\$ 14,844
Investments (Note 4)	551,662	\$ 204,615			756,277
Property Tax Receivable (Note 2)	212,452	326,835			539,287
Other Receivables - State Grant	3,750				3,750
Prepaid Insurance	23,850				23,850
Due From Other Funds (Note 6)	3,864				3,864
General Fixed Assets (Note 5)			\$2,811,266	\$ 527,586	2,811,266
Amount Available In Debt Service Fund					527,586
Amount to be Provided for Retirement of General Long Term Obligations					727,414
TOTAL ASSETS	<u>\$ 810,422</u>	<u>\$ 531,450</u>	<u>\$2,811,266</u>	<u>\$ 1,255,000</u>	<u>\$ 5,408,138</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
Accounts Payable	\$ 3,202				\$ 3,202
Payroll Taxes Payable	255				255
Due to Other Funds (Note 6)		\$ 3,864			3,864
Bonds Payable (Note 7)				\$ 1,255,000	1,255,000
TOTAL LIABILITIES	<u>3,457</u>	<u>3,864</u>	<u>-</u>	<u>1,255,000</u>	<u>1,262,321</u>
FUND EQUITY:					
Investment in General Fixed Assets			\$2,811,266		2,811,266
Reserved for Equipment Replacement	251,000				251,000
Reserved for Debt Service		527,586			527,586
Unreserved-Undesignated Fund Balance	555,965				555,965
TOTAL FUND EQUITY	<u>806,965</u>	<u>527,586</u>	<u>2,811,266</u>	<u>-</u>	<u>4,145,817</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 810,422</u>	<u>\$ 531,450</u>	<u>\$2,811,666</u>	<u>\$ 1,255,000</u>	<u>\$ 5,408,138</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, 2003

	GENERAL FUND	DEBT SERVICE	TOTALS (MEMORANDUM ONLY)
REVENUES:			
Property Taxes	\$ 222,098	\$ 341,700	\$ 563,798
Intergovernmental Revenue:			
2% Fire	23,565		23,565
Federal Grants	100,000		100,000
State Grants	3,750		3,750
Interest Income	7,681	3,405	11,086
Other	1,190		1,190
TOTAL REVENUES	<u>358,284</u>	<u>345,105</u>	<u>703,389</u>
EXPENDITURES:			
Current - Public Safety:			
Training/Education	132		132
Office Expenses	5,558		5,558
Insurance	30,070		30,070
Utilities	9,905		9,905
Repairs & Maintenance	31,953		31,953
Vehicle Oil & Gas	4,884		4,884
Legal Advertising	511		511
Accounting & Auditing	9,350		9,350
Payroll & Payroll Taxes	10,330		10,330
Trustee & Other	3,340		3,340
Capital Outlay	222,416		222,416
Debt Service:			
Principal		220,000	220,000
Interest		55,343	55,343
TOTAL EXPENDITURES	<u>328,449</u>	<u>275,343</u>	<u>603,792</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	29,835	69,762	99,597
OTHER FINANCING SOURCES - Sale of Property	<u>4,500</u>	<u>-</u>	<u>4,500</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	34,335	69,762	104,097
FUND BALANCE - Beginning of Year	<u>772,630</u>	<u>457,824</u>	<u>1,230,454</u>
FUND BALANCE - End of Year	<u>\$ 806,965</u>	<u>\$ 527,586</u>	<u>\$ 1,334,551</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, 2003

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Property Taxes	\$ 204,191	\$ 222,098	\$ 17,907
Intergovernmental Revenue:			
2% Fire Rebate	23,565	23,565	-
Federal Grants	100,000	100,000	-
State Grants	-	3,750	3,750
Interest Income	6,719	7,681	962
Other	3,473	1,190	(2,283)
TOTAL REVENUES	<u>337,948</u>	<u>358,284</u>	<u>20,336</u>
EXPENDITURES:			
Current - Public Safety:	103,974	106,033	(2,059)
Capital Outlay	<u>220,276</u>	<u>222,416</u>	<u>(2,140)</u>
TOTAL EXPENDITURES	<u>324,250</u>	<u>328,449</u>	<u>(4,199)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,698	29,835	16,137
OTHER FINANCING SOURCES - Sale of Property	<u>4,500</u>	<u>4,500</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	18,198	34,335	16,137
FUND BALANCE AT BEGINNING OF YEAR	<u>772,630</u>	<u>772,630</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 790,828</u>	<u>\$ 806,965</u>	<u>\$ 16,137</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 - DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>DEBT SERVICE</u>		VARIANCE FAVORABLE (UNFAVORABLE)
	<u>BUDGET</u>	<u>ACTUAL</u>	
REVENUES:			
Property Taxes	\$ 340,000	\$ 341,700	\$ 1,700
Interest Income	<u>4,000</u>	<u>3,405</u>	<u>(595)</u>
TOTAL REVENUES	<u>344,000</u>	<u>345,105</u>	<u>1,105</u>
EXPENDITURES:			
Principal	215,000	220,000	(5,000)
Interest	<u>60,343</u>	<u>55,343</u>	<u>5,000</u>
TOTAL EXPENDITURES	<u>275,343</u>	<u>275,343</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>68,657</u>	<u>69,762</u>	<u>1,105</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>457,824</u>	<u>457,824</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 526,481</u>	<u>\$ 527,586</u>	<u>\$ 1,105</u>

The accompanying notes are an integral part of this statement.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2003

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. 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 provides 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 general purpose 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.

(Continued)

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED DECEMBER 31, 2003

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.

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.

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.

(Continued)

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED DECEMBER 31, 2003

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 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, 2003 and in addition, it also adopted a budget for its Debt Service Fund for the year. The proposed budgets for 2003 were prepared using generally accepted accounting principles, which is consistent with the basis of accounting used in the preparation of the accompanying general purpose financial statements. The proposed 2003 budgets were made available for public inspection and adopted at the Board meeting held in December 2002. 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 in December 2003.

(Continued)

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED DECEMBER 31, 2003

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.

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.

(Continued)

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2003**

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

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Weyerhaeuser	Timber	\$5,645,330	9.15%
Entergy	Public Utility	3,956,420	6.41%
West Fraser (South), Inc.	Timber	3,260,740	5.29%
Plum Creek Southern Timber	Timber	1,873,760	3.04%
BellSouth	Public Utility	1,552,820	2.52%
Bank of Winnfield & Trust Co.	Bank	1,500,840	2.43%
PBS Lumber Manufacturing	Timber	1,058,620	1.72%
Autumn Leaves Properties	Nursing Home	958,320	1.55%
Six C Properties	Real Estate	927,960	1.50%
Louisiana Minerals	Real Estate	<u>841,830</u>	<u>1.36%</u>
	TOTAL	<u>\$21,576,640</u>	<u>34.97%</u>

(Continued)

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2003**

During the year ended December 31, 2003, the following millages were authorized and levied:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Fund - Operations & Maintenance	6.50	6.50	2007
Debt Service Fund - Bond Retirement	10.00	10.00	2007

The property taxes receivable at December 31, 2003 recorded in the governmental funds represent amounts due the Fire District for taxes assessed on January 1, 2003, but remitted subsequent to December 31, 2003 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, 2003, the carrying amounts of the Fire District's deposits with financial institutions was \$14,844. 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. 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 bank. 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, 2003, the Fire District has \$14,844 in deposits. All of these deposits are secured from risk by federal deposit insurance.

4. INVESTMENTS

Investments held at December 31, 2003, include \$756,277 in the Louisiana Asset Management Pool Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB, the investments in LAMP at December 31, 2003, are not categorized in the three risk categories provided by GASB 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 and by 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

(Continued)

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2003**

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 year ended December 31, 2003 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land & Improvements	\$ 19,331		\$ -	\$ 19,331
Buildings	321,090		-	321,090
Equipment	2,254,929	\$ 222,416	6,500	2,470,845
Total	<u><u>\$2,595,350</u></u>	<u><u>\$ 222,416</u></u>	<u><u>\$ 6,500</u></u>	<u><u>\$2,811,266</u></u>

6. DUE FROM /TO OTHER FUNDS

Individual balances due from and to other funds at December 31, 2003 are as follows:

<u>FUND</u>	<u>DUE FROM OTHER FUND</u>	<u>DUE TO OTHER FUND</u>
General Fund	\$ 3,864	-
Debt Service Fund	-	\$ 3,864

(Continued)

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2003**

7. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of general long-term obligation transactions during the year ended December 31, 2003:

<u>Long-Term Bond Obligations</u>	<u>Amount</u>
December 31, 2002	\$1,475,000
Additions - Borrowings	-
Deductions - Principal Payments	<u>(220,000)</u>
December 31, 2003	<u>\$1,255,000</u>

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, 2003:

<u>Year Ended December 31</u>	<u>General Long-Term Obligations</u>
2004	\$ 276,397
2005	276,998
2006	277,135
2007	276,743
2008	<u>280,705</u>
Total	<u>\$1,387,978</u>

(Continued)

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2003**

8. EXPENDITURES MADE BY WINN PARISH POLICE JURY

The Winn Parish Police Jury has constructed 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 has assumed the operation and maintenance of such facilities and equipment under an intergovernmental agreement.

9. COMMITMENTS

At December 31, 2003, the Winn Parish Fire District had commitments to purchase two fire trucks for some \$328,000, the delivery date being in late June 2004.

10. LITIGATION

The Winn Parish Fire Protection District No. 3 was not involved in any litigation at December 31, 2003.

11. FINANCIAL STATEMENT PRESENTATION

GASB Statement No. 34 requires that by the year ended December 31, 2004, the Winn Parish Fire Protection District No. 3 adopt its provisions related to financial statement format and content. The adoption of such Statement will significantly alter the form and content of these financial statements.

12. OTHER DISCLOSURES

There were no subsequent events or related party transactions that require disclosures in these notes to the December 31, 2003 financial statements.

(Concluded)

SUPPLEMENTAL INFORMATION SCHEDULE

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

**SCHEDULE OF COMPENSATION PAID TO THE BOARD OF COMMISSIONERS
FOR THE YEAR ENDED DECEMBER 31, 2003**

The Winn Parish Fire Protection District No. 3 paid no compensation to any of its Board of Commissioners during the year ended December 31, 2003.

Presented as additional analytical data.

INTERNAL CONTROL AND COMPLIANCE SECTION

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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 general purpose financial statements of the Winn Parish Fire Protection District No. 3, a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 14, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

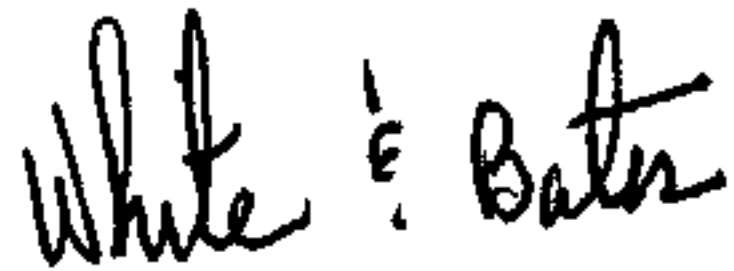
As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Winn Parish Fire Protection District No. 3 compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which 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 is required to be reported under *Government Auditing Standards*.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses as defined above.

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.

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

White & Bates, CPA's
June 14, 2004
Winnfield, Louisiana 71483

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 2003

We have audited the general purpose financial statements of the Winn Parish Fire Protection District No. 3, a component unit of the Winn Parish Police jury, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 14, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the general purpose financial statements as of December 31, 2003 resulted in an unqualified opinion.

SECTION I - SUMMARY OF AUDITOR'S REPORTS

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

INTERNAL CONTROL:

Material Weaknesses ___ Yes X No Reportable Conditions ___ Yes X No

COMPLIANCE:

Noncompliance Material to Financial Statements ___ Yes X No

SECTION II - FINDINGS--FINANCIAL STATEMENTS AUDIT

INSTANCE OF NONCOMPLIANCE - NONE

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2003

MANAGEMENT LETTER

2002 - 1 SECURITIES PLEDGED TO SECURE CASH AND INVESTMENTS

Observation - Custodial banks are required to pledge securities owned by the bank to secure public fund deposits that are in excess of FDIC insurance coverage. At certain times during the year ended December 31, 2002, a custodial bank did not have sufficient securities pledged to secure the Winn Parish Fire Protection District No. 3's public fund deposits.

Recommendation - The management of the Winn Parish Fire Protection District No. 3 should request the custodial bank to provide verification of adequate pledged securities to secure the Winn Parish Fire Protection District No. 3's public funds.

Current Status - The custodial bank in question has agreed to pledge sufficient securities to insure that the Winn Parish Fire Protection District No. 3's public funds are fully secured. This is monitored on a monthly basis to verify that adequate securities are pledged throughout the year. Adequate Securities have been pledged to properly secure deposits.