

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

FINANCIAL REPORT  
DECEMBER 31, 2012

SHANNA JONES, CPA  
WINNFIELD, LOUISIANA

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**FINANCIAL REPORT**  
**DECEMBER 31, 2012**

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# Shanna Jones, CPA

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## INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the governmental activities and major fund of 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, 2012, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 U.S. and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 evaluation the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major funds of Winn Parish Fire Protection District No. 3 as of December 31, 2012, and the respective changes in financial position thereof for the year than ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a reported dated April 3, 2012, on my consideration of the Winn Parish Fire Protection District No. 3's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Winn Parish Fire Protection District No. 3 has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although is not required to be a part of the basic financial statements.

My audit was conducted for the purpose of forming an opinion on the District's financial statements as a whole. The Budgetary Comparison Schedule listed as Other Required Supplemental Information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements but is required by the Governmental Accounting Standards Board. The Budgetary Comparison Schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Shanna Jones, CPA  
Winnfield, Louisiana  
April 3, 2013

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**

	<u>Governmental Activities</u>
<b>Assets:</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 678,102
Investments	1,367,714
Receivables:	
Ad Valorem Tax	524,263
Interest	330
Grant	3,414
Prepaid Expenses	<u>11,182</u>
Total Current Assets	2,585,005
Non-Current Assets:	
Capital Assets	
Depreciable (Net)	1,413,884
Non-Depreciable	<u>25,643</u>
Total Non-Current Assets	1,439,527
Total Assets	<u>4,024,532</u>
 <b>Liabilities:</b>	
Current Liabilities:	
Accounts Payable	5,230
Payroll Related Liabilities	<u>2,967</u>
Total Liabilities	<u>8,197</u>
 <b>Net Position:</b>	
Invested in Capital Assets	1,439,527
Unrestricted	<u>2,576,808</u>
Total Net Position	<u>\$ 4,016,335</u>

The accompanying notes are an integral part of the basic financial statements.

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenue</u> Operating Grants & Contributions	<u>Net (Expense)</u> Revenue & Changes in Net Position Government Activities
Governmental Activities:			
Public Safety	\$ 596,332	\$ 37,284	\$ ( 559,048)
General Revenues:			
			639,630
			14,790
			4,570
			<u>( 503)</u>
			<u>658,487</u>
			99,439
			<u>3,916,896</u>
			<u>\$ 4,016,335</u>

The accompanying notes are an integral part of the basic financial statements.

## FUND FINANCIAL STATEMENTS

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**BALANCE SHEET—GOVERNMENTAL FUND**  
**DECEMBER 31, 2012**

	<u>Major Fund: General</u>
<b>Assets:</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 678,102
Investments	1,367,714
Receivables:	
Ad Valorem	524,263
Interest	330
Grant	3,414
Prepaid Expenses	<u>11,182</u>
Total Assets	<u><u>2,585,005</u></u>
<b>Liabilities:</b>	
Current Liabilities:	
Accounts Payable	5,230
Payroll Related Liabilities	<u>2,967</u>
Total Liabilities	<u>8,197</u>
<b>Fund Balance:</b>	
Nonspendable	11,182
Unassigned	<u>2,565,626</u>
Total Fund Balance	<u>2,576,808</u>
Total Liabilities & Fund Balance	<u><u>\$ 2,585,005</u></u>

The accompanying notes are an integral part of the basic financial statements.

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**

Total Fund Balance for the Governmental Fund at December 31, 2012	\$ 2,576,808
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:	
Non-Depreciable	25,643
Depreciable	4,314,734
Less: Accumulated Depreciation	<u>( 2,900,850)</u>
Total Net Position of Governmental Activities at December 31, 2012	<u>\$ 4,016,335</u>

The accompanying notes are an integral part of the basic financial statements.

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE—GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Major Fund: General</u>
<b>Revenues:</b>	
Taxes	\$ 639,630
Intergovernmental:	
State Grant	3,414
Fire Insurance Rebate	33,870
Miscellaneous:	
Interest Earned	14,790
Other	<u>4,570</u>
 Total Revenues	 <u>696,274</u>
 <b>Expenditures:</b>	
Current:	
Public Safety	341,346
Capital Outlay	<u>34,061</u>
 Total Expenditures	 <u>375,407</u>
 Excess of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	   320,867
 Fund Balance—Beginning of Year	  <u>2,255,941</u>
 Fund Balance—End of Year	  <u><u>\$ 2,576,808</u></u>

The accompanying notes are an integral part of the basic financial statements.

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Net Change in Fund Balance—Governmental Fund	\$ 320,867
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of Capital Assets recorded in the current period is	
	34,061
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	
	( 254,986)
Gains and Losses related to disposals of Capital Assets are not recorded in the Fund Financial Statements but are recorded in Government-wide Financial Statements. Loss on disposal of asset in current year was	
	<u>( 503)</u>
Net Change in Net Position per Statement of Activities	<u>\$ 99,439</u>

The accompanying notes are an integral part of the basic financial statements.

NOTES TO FINANCIAL STATEMENTS

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 1—INTRODUCTION**

Winn Parish Fire Protection District No. 3 was created December 15, 1997, by a resolution of the Winn Parish Police Jury. The Winn Parish Fire Protection District No. 3 (the District) began operations on November 4, 1998 with the issue of \$2,250,000 in general obligation bonds. The 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 15,300 per latest population estimates. The District operates through a Board of Commissioners and is governed by various State of Louisiana Revised Statutes, including but not limited to LSA-RS 40:1491 to 40:1509.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Winn Parish Fire Protection District No. 3 conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Winn Parish Police Jury is the financial reporting entity for Winn 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 Standard Board (GASB) Statement No. 61 amended No 14's established criteria for determining which component units should be considered part of the Winn Parish Police Jury for financial reporting purposes. The basic criteria 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 and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
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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's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury provided construction of fire protection facilities and related equipment for those facilities for the Winn Parish Fire Protection District No.3, the District was determined to be fiscally dependent on the police jury and accordingly is considered to be a component unit of the Winn 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.

Basis of Presentation

Government-Wide Financial Statements (GWFS):

GASB Statement No. 63 changed the title of Net Assets to Net Position along with standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. As required the District has implemented GASB Statement No. 63 for the current fiscal year end.

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**NOTES TO FINANCIAL STATEMENTS**  
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Fund Accounting:

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

During the fiscal year ended December 31, 2012 the District closed the Debt Service Fund which was no longer required and maintained the General Fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The major fund of the District is described below:

Governmental Fund:

General Fund—The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made.

Accrual Basis—Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the exchange.

Modified Accrual Basis—Fund Financial Statements (FFS)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all

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revenues available if they are collected 60 days after year end. Grant revenues are recorded when the District is entitled to the funds. In addition, the District records ad valorem revenue in the year in which the ad valorem taxes are assessed. Ad valorem taxes are assessed on January 1, levied on June 30, 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 generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Assets Liabilities and Equity

Cash and Cash Equivalents—The District’s cash is considered to be cash in demand deposits and interest bearing deposits. Cash equivalents include all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates.

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.

Capital Assets—The District reports property and equipment in the governmental activities column in the GWFS. Capital assets are carried at historical or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized. Also the District’s FFS expense assets as capital outlays in the year occurring.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position.

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Depreciation is provided over the assets' estimated useful lives using the straight-line method. The assets estimated useful lives are as follows:

Office Equipment and Furniture	5 years
Firefighting Equipment	10 years
Fire Trucks	15 years
Other Vehicles	5 years
Buildings	40 years

Equity Classifications—In the Government-Wide Financial Statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Invested in Capital Assets—Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position—Net Position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position—All other components of Net Position that do not meet the definition of “restricted” or “invested in capital assets.”

In the Fund Financial Statements, governmental fund equity is classified as fund balance. Beginning with fiscal year 2011, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**NOTES TO FINANCIAL STATEMENTS**  
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- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority:
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund, the District's only major governmental fund, has a nonspendable fund balance of \$11,182 which represents prepaid expenses. The remaining fund balance of \$2,565,626 is classified as unassigned.

Budget

The proposed budget for the General Fund for the fiscal year ended December 31, 2012 was made available for public inspection and adopted in December 2011. The original budget was amended in December 2012 and such budgets are prepared on the modified accrual basis of accounting.

All budgeted appropriations lapse at the end of each fiscal year. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Budget amounts included in the required supplementary information to these financial statements are as originally adopted and finally amended.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3—CASH AND CASH EQUIVALENTS**

At December 31, 2012, the carrying amount of the District's cash and cash equivalents (collected bank balances) totaled \$683,596. Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties.

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At December 31, 2012, the District's deposits were secured from risk by federal deposit insurance of \$250,000 and the remainder by pledged securities in the name of the fiscal agent bank with a market value greater than the remaining amount.

Even though the pledged securities are considered uncollateralized (Category #3), the Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 4—INVESTMENTS**

At December 31, 2012, investments held by the District consist of \$1,358,522 in certificates of deposit within a local financial institution and secured by FDIC insurance and pledged securities in the name of the fiscal agent bank with a market value greater than the remaining amount.

Also at December 31, 2012 were investments held by the District of \$9,192 in the Louisiana Asset Management Pool (LAMP), the local government investment pool. The investment in LAMP by the District is 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 the laws of the State of Louisiana, which was formed by the 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 government entities 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 included only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. 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.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955 (A)(1)(h) which allows all municipalities, parties, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations". Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

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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. The investments in LAMP are stated at fair value based on quoted market rates.

The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

**NOTE 5—AD VALOREM TAX RECEIVABLE**

At December 31, 2012, ad valorem receivable totaled \$524,263 and was a result of ad valorem taxes assessed and levied but not remitted by year end. These receivables are considered to be fully collectible and therefore no allowance for doubtful accounts is used.

**NOTE 6—GRANT RECEIVABLE**

There was a grant receivable from the Louisiana Department of Agriculture and Forestry in the amount of \$3,414 at December 31, 2012. This grant was a reimbursement of expenditures made during the current year.

**NOTE 7—INTEREST RECEIVABLE**

Interest in the amount of \$330 was earned as of December 31, 2012 and collected within 60 days after year end.

**NOTE 8—CAPITAL ASSETS**

Capital asset balances and activity for the year ended December 31, 2012 are as follows:

Governmental Activities	Balance <u>01-01-12</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/12</u>
Capital Assets—Not Depreciable:				
Land	\$ 25,643	\$ -	\$ -	\$ 25,643
Capital Assets—Depreciable:				
Buildings & Improvements	432,411	-	-	432,411
Fire Equipment	3,816,591	34,061	1,058	3,849,594
Office Equipment & Furniture	<u>32,729</u>	<u>-</u>	<u>-</u>	<u>32,729</u>
Subtotal	4,281,731	34,061	1,058	4,314,734
Total Assets	<u>4,307,374</u>	<u>34,061</u>	<u>1,058</u>	<u>4,340,377</u>

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
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Governmental <u>Activities</u>	<u>Balance</u> <u>01-01-12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/12</u>
Less Accumulated Depreciation:				
Buildings & Improvements	121,028	14,454	-	135,482
Fire Equipment	2,494,133	239,552	555	2,733,130
Office Equipment & Furniture	<u>31,258</u>	<u>980</u>	<u>-</u>	<u>32,238</u>
Total Accum. Depreciation	<u>2,646,419</u>	<u>254,986</u>	<u>555</u>	<u>2,900,850</u>
Net Capital Assets	<u>\$1,660,955</u>			<u>\$1,439,527</u>

Depreciation expense for the year ended December 31, 2012 of \$254,986 is charged to the public safety function.

**NOTE 9—COMPENSATED ABSENCES**

The District does not carry forward leave from year to year, therefore no entry is made to record compensated absences.

**NOTE 10—AD VALOREM TAXES**

The District levies taxes on real and business personal property located within the boundaries of the Winn Parish Fire Protection District No.3. Property taxes are levied by the District on property values assessed by the Winn Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Winn Parish Sheriff's Office bills and collects property taxes for the District. Collections are remitted to the District monthly. The District recognizes property tax revenues when levied.

Property Tax Calendar

Assessment Date	January	1
Levy Date	June	30
Tax Bills Mailed	October	15
Total Taxes Due	December	31
Penalties & Interest Added	January	31
Lien Date	January	31
Tax Sale	May	15

The District is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by voters of the District. Property taxes are recorded as receivables and revenues in the year assessed.

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
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Assessed values are established by the Winn Parish Assessor each year on a uniform basis at the following ratios to fair market value:

10% Land	15% Machinery
10% Residential Improvements	15% Commercial Improvements
15% Industrial Improvements	25% Public Service Properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2012. Total assessed value for the District was \$64,843,327 in 2012. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption for the District was a total of \$13,131,826 of the assessed value in 2012. For the year ended December 31, 2012, taxes of 12.0 mills were authorized and levied on the properties and were dedicated to fire protection. Taxes collected totaled \$639,630, after adjustments from the prior year.

The principal taxpayers of the District are:

Taxpayer	Assessed Value	Percent of District's Total Assessed Value
West Fraser	\$ 5,567,276	8.6%
Weyerhaeuser	4,995,203	7.7%
Entergy Louisiana, LLC	4,860,090	7.5%
Plum Creek Timber	1,708,597	2.6%
Arclin USA Inc.	1,643,008	2.5%
Gulf South Pipeline Co, LP	1,361,460	2.1%
Kansas City Southern Railway	1,327,730	2.1%
Bank of Winnfield & Trust Co	1,316,869	2.0%
Bellsouth Telecommunications	1,157,320	1.8%
Tennessee Gas Pipeline Co	1,149,000	1.8%
Total	\$ 25,086,553	38.7%

**NOTE 11—EMPLOYEE RETIREMENT SYSTEM**

*Plan Description* – Beginning in the fiscal year ended December 31, 2012, all full-time employees of the Winn Parish Fire Protection District No. 3 participate in the Louisiana Firefighters' Retirement System ("System"), a multiple-employer (cost-sharing), governmental defined benefit pension plan, controlled and administered by a separate board of trustees.

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

All full-time firefighter employees of a Louisiana municipal, parish or fire protection districts and earn more than \$375 per month are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 20 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% percent of their final-average compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100 percent.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Firefighters' Retirement System, Post Office Box 94095, Capital Station, Baton Rouge, Louisiana 70804, by visiting their website at [www.lafirefightersret.com](http://www.lafirefightersret.com) or by calling (318) 925-4060.

*Funding Policy* - Plan members are required by state statute to contribute 10.0 percent of their annual covered salary, for wages above poverty and the Winn Parish Fire Protection District No. 3 is required to contribute at an actuarially determined rate. The current rate is 24.0 percent of annual covered payroll above poverty. The contribution requirements of plan members and the Fire District are established and may be amended by state statute. The District's combined contributions to the System for the year ending December 31, 2012 was \$12,316. This amount was equal to the required contributions for the year.

**NOTE 12—SERVICES PROVIDED 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 has purchased 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.

During the fiscal year ended December 31, 2012 the Winn Parish Police Jury allowed the Fire District's full time employees to be included in their group health insurance. The District's reimbursement of this cost totaled \$10,973.

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 13—LEASE AGREEMENT**

During the fiscal year ended December 31, 2012, the District made a cancellable operating lease agreement with the Winn Parish Sheriff. The agreement allows the Sheriff to lease a vehicle from the District and states that the Sheriff is responsible for related expenses of the vehicle.

**NOTE 14—COMPENSATION TO BOAD MEMBERS**

The members of the Board of Commissioners of the District received compensation for their services based on the number of board meetings attended during the year. Their payments are as follows:

Kenneth Womack	\$ 330
Loyd Vines	300
Louis Franks	360
John Martin	360
Billy Herrod	360
Raymond Whittington	300

Some board members are also volunteer firefighters and receive additional compensation based on training sessions and structure fires attended.

**NOTE 15—RELATED PARY TRANSACTIONS**

The District had no identified related party transactions for the year ended December 31, 2012.

**NOTE 16— OTHER POST EMPLOYMENT BENEFITS**

During the year ended December 31, 2012, the District provided no post-employment benefits other than retirement. Therefore no disclosure for GASB No. 45 is required.

**NOTE 17—PENDING LITIGATION**

There were no civil suits seeking damages against the District outstanding at December 31, 2012.

**NOTE 18—SUBSEQUENT EVENTS**

Management has evaluated events through April 3, 2013, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**BUDGETARY COMPARISON SCHEDULE—GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<b>Revenues:</b>				
Property Taxes	\$ 525,000	\$ 654,747	\$ 639,630	\$ ( 15,117)
Intergovernmental:				
State Grant	4,500	5,000	3,414	( 1,586)
2% Fire Rebate	34,000	33,870	33,870	0
Interest	17,000	12,200	14,790	2,590
Miscellaneous	<u>3,000</u>	<u>1,550</u>	<u>4,570</u>	<u>3,020</u>
 Total Revenues	 <u>583,500</u>	 <u>707,367</u>	 <u>696,274</u>	 <u>( 11,093)</u>
 <b>Expenditures:</b>				
Current—Public Safety				
Payroll	130,000	120,000	114,684	5,316
Payroll Taxes	36,000	26,000	8,772	17,228
Bank Charges	45	0	0	0
Office Expenses	6,000	6,000	5,562	438
Utilities	17,000	15,500	15,221	279
Insurance	53,000	78,500	73,375	5,125
Equipment & Supplies	55,000	47,000	37,285	9,715
Vehicle Repair & Maint.	50,000	45,000	35,882	9,118
Property Repair & Maint.	20,000	4,000	2,695	1,305
Vehicle Fuel	25,000	24,000	24,483	( 483)
Legal Advertising	500	750	540	210
Accounting & Audit	4,000	4,000	4,000	0
Training & Vol. Reimburse	16,000	11,000	10,627	373
Nonemployee Labor	12,000	750	8,220	( 7,470)
Miscellaneous	1,000	0	0	0
Capital Outlay Replacement	50,000	50,000	0	50,000
Capital Outlay	<u>0</u>	<u>27,000</u>	<u>34,061</u>	<u>( 7,061)</u>
 Total Expenditures	 <u>475,545</u>	 <u>459,500</u>	 <u>375,407</u>	 <u>84,093</u>
 Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	 107,955	 247,867	 320,867	 73,000
 Fund Balance—Beginning of Year	 <u>2,255,941</u>	 <u>2,255,941</u>	 <u>2,255,941</u>	 <u>0</u>
 Fund Balance—End of Year	 <u>\$2,363,896</u>	 <u>\$2,503,808</u>	 <u>\$2,576,808</u>	 <u>\$ 73,000</u>

See accountant's report.

## SUPPLEMENTARY INFORMATION

*Shanna Jones, CPA*

*157 Larry Bruce Rd  
Winnfield, LA 71483  
792-8544*

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

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

I have audited the financial statements of the governmental activities and major fund of 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, 2012, which collectively comprise the District's basic financial statements and have issued my report thereon dated April 3, 2013. I conducted my 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 U.S. and the *Louisiana Governmental Audit Guide*.

Internal Control Over Financial Reporting

Management of the Winn Parish Fire Protection District No. 3 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing the audit, I considered the District's internal control over financial reporting as a basis for designing my audit procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

(Continued)

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Winn Parish Fire Protection District No. 3's financial statements are free of material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Louisiana Legislative Auditor, management of the Winn Parish Fire Protection District No. 3 and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana R.S. 24:513 this report is a matter of public record and its distribution is not limited.



Shanna Jones, CPA  
Winnfield, Louisiana  
April 3, 2013

Concluded

**WINN PARISH FIRE PROTECTION DISTRICT NO. 3**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2012**

**A. SUMMARY OF AUDIT RESULTS**

1. The Auditor's Report expresses an unqualified opinion on the financial statements of the Winn Parish Fire Protection District No. 3.
2. There were no significant deficiencies noted during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Winn Parish Fire Protection District No. 3 were disclosed during the audit.

**B. FINANCIAL STATEMENTS AUDIT**

No findings.

**C. PRIOR YEAR FINDINGS**

No findings.