

Fire Protection District No. 3  
Beauregard Parish Police Jury  
State of Louisiana

Annual Financial Statements  
With Independent Auditor's Report

December 31, 2022

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# Windham & Reed, L.L.C.

*Certified Public Accountants*

1620 North Pine Street  
DeRidder, LA 70634  
Tel: (337) 462-3211  
Fax: (337) 462-0640

John A. Windham, CPA  
Charles M. Reed, Jr., CPA

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners  
Fire Protection District No. 3  
Parish of Beauregard  
State of Louisiana

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and the major fund of the Fire Protection District No. 3 of the Parish of Beauregard, State of Louisiana, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Fire Protection District No. 3 of the Parish of Beauregard, State of Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Fire Protection District No. 3 of the Parish of Beauregard, State of Louisiana, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fire Protection District No. 3 of the Parish of Beauregard, State of Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire Protection District No. 3 of the Parish of Beauregard, State of Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fire Protection District No. 3 of the Parish of Beauregard, State of Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire Protection District No. 3 of the Parish of Beauregard, State of Louisiana's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on page 20 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fire Protection District No. 3 of the Parish of Beauregard, State of Louisiana’s basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2023, on our consideration of the Fire Protection District No. 3 of the Parish of Beauregard, State of Louisiana’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire Protection District No. 3 of the Parish of Beauregard, State of Louisiana’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fire Protection District No. 3 of the Parish of Beauregard, State of Louisiana’s internal control over financial reporting and compliance.



DeRidder, Louisiana  
June 5, 2023

## BASIC FINANCIAL STATEMENTS

Statement of Net Position  
December 31, 2022

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 183,801
Ad valorem tax receivable	426,223
Capital assets not being depreciated	25,303
Capital assets being depreciated - net	<u>1,008,438</u>
 Total assets	 <u><u>\$ 1,643,765</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 10,588
Payroll taxes payable	339
Pension payable - ad valorem tax	15,684
Unclaimed property payable	3,517
Accrued interest payable	5,128
Long-term liabilities:	
Due within one year	44,534
Due in more than one year	<u>503,845</u>
 Total liabilities	 <u><u>\$ 583,635</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 485,362
Unrestricted	<u>574,768</u>
 Total net position	 <u><u>\$ 1,060,130</u></u>
 Total liabilities and net position	 <u><u>\$ 1,643,765</u></u>

The accompanying notes are an integral part of this statement.

Statement of Activities  
For the Year Ended December 31, 2022

Program Activities	<u>Expenses</u>	<u>Program Revenues Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</u>
Governmental activities:			
Public safety	\$ 328,378	\$ 2,273	\$ (326,105)
General revenues:			
Taxes:			
Ad valorem taxes			\$ 444,467
Insurance premium tax			31,049
Investment earnings			1,096
Total general revenues			<u>\$ 476,612</u>
Change in net position			\$ 150,507
Net position at beginning of year			<u>909,623</u>
Net position at end of year			<u><u>\$ 1,060,130</u></u>

The accompanying notes are an integral part of this statement.



Balance Sheet  
 Governmental Funds  
 December 31, 2022

	<u>Major Fund</u>
	<u>General Fund</u>
ASSETS	
Assets:	
Cash and cash equivalents	\$ 183,801
Ad valorem tax receivable	426,223
	<hr/>
Total assets	\$ 610,024
	<hr/> <hr/>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 10,588
Payroll taxes payable	339
Pension payable - ad valorem tax	15,684
Unclaimed property payable	3,517
	<hr/>
Total liabilities	\$ 30,128
	<hr/>
Fund Balances:	
Unassigned	\$ 579,896
	<hr/>
Total liabilities and fund balances	\$ 610,024
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet  
to Statement of Net Position  
December 31, 2022

Total fund balance - total governmental funds		\$ 579,896
Amounts reported for governmental activities in the statement of net position are different because:		
Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in the governmental funds balance sheet.		(5,128)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.		1,033,741
Long-term liabilities including capital leases payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Due within one year	\$ (44,534)	
Due in more than one year	<u>(503,845)</u>	<u>(548,379)</u>
Net position of governmental activities		<u><u>\$ 1,060,130</u></u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended December 31, 2022

	<u>Major Fund</u>
	<u>General Fund</u>
Revenues	
Taxes:	
Ad valorem	\$ 444,467
Insurance premium tax	31,049
Intergovernmental:	
Local grants	2,273
Investment income	1,096
Total revenues	<u>\$ 478,885</u>
Expenditures	
Current operating:	
Public safety	\$ 197,756
Capital outlay	54,293
Debt service:	
Principal payment	44,534
Interest expense	22,242
Total expenditures	<u>\$ 318,825</u>
Net change in fund balance	\$ 160,060
Fund balances at beginning of year	<u>419,836</u>
Fund balances at end of year	<u><u>\$ 579,896</u></u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental  
Funds to the Statement of Activities  
For the Year Ended December 31, 2022

Net change in fund balances - total governmental funds	\$ 160,060
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	54,293
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	(108,797)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of capital lease repayments.	44,534
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds. The following amount represented the change in accrued interest from prior year.	<u>417</u>
Change in net position of governmental activities	<u><u>\$ 150,507</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

## Fire Protection District No. 3

### Notes to the Financial Statements As of and for the Year Ended December 31, 2022

#### INTRODUCTION

Fire Protection District No. 3, of the Parish of Beauregard, State of Louisiana was established through the adoption of a resolution, Ordinance No. 5-78, dated May 9, 1978, by the Beauregard Parish Police Jury, State of Louisiana. Fire Protection District No. 3A, of the Parish of Beauregard, State of Louisiana was separated from Fire Protection District No. 3, of the Parish of Beauregard, State of Louisiana by a resolution of the Beauregard Parish Police Jury, State of Louisiana on April 11, 1989. The two districts were then merged on May 11, 2004 by Ordinance 01-2004 of the Beauregard Parish Police Jury, State of Louisiana. The District provides fire protection and safety for Wards Seven and Eight of Beauregard Parish, Louisiana. A board of five commissioners appointed by the Beauregard Parish Police Jury, State of Louisiana, governs the District and are not compensated for their services. Two contracted individuals and one employee handle the administrative and clerical duties of the District and the rest of the District are volunteers. The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Government Units*.

GASB Statement No. 34, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Fire Protection District No. 3, of the Parish of Beauregard, State of Louisiana is considered a component unit of the Beauregard Parish Police Jury, State of Louisiana. As a component unit, the accompanying financial statements are included within the reporting of the primary government, whether blended into those financial statements or separately reported as discrete component units.

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the funds financial statements.

##### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources 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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Fire Protection District No. 3

Notes to the Financial Statements (Continued)

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental fund:

The General Fund is the District’s primary operating fund. It accounts for all financial resources, except for those required to be accounted for in another fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

The District has not established a policy for use of its unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

**C. Deposits and Investments**

The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District’s investment policy allow the District to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

**D. Receivables and Payables**

The District levies taxes on real and business personal property located within the boundaries of the District. Property taxes are levied by the District on property values assessed by the Beauregard Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The Beauregard Parish Sheriff and Ex-Officio Tax Collector 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, 2022
Levy date	June 30, 2022
Tax bills mailed	October 15, 2022
Total taxes are due	December 31, 2022
Penalties & interest due	January 31, 2023
Lien date	January 31, 2023
Tax sale	May 15, 2023

Property tax receivables are shown net of an allowance for uncollectibles. Property taxes are collected and remitted by the local sheriff, if taxes are not paid, a sheriff’s sale is held and the property is sold to satisfy the taxes due on that property. Due to this, the majority, if not all property taxes are collected, therefore no allowance account for uncollectibles has been established.

Fire Protection District No. 3

Notes to the Financial Statements (Continued)

For the year ended December 31, 2022, taxes of 23.4 mills were levied on property with an assessed valuation totaling \$19,170,716, and were dedicated as follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Taxes due for:			
General maintenance	23.4	23.4	December 31, 2026

The following are the principal taxpayers and related property tax revenue for the District:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for District</u>
Beauregard Electric Co-op	Electricity	\$ 1,474,095	7.69%	\$ 34,494
Acadian Gas Pipeline System	Gas Pipeline	6,733,535	35.12%	157,565
Total		\$ 8,207,630	42.81%	\$ 192,059

**E. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost 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.

According to GASB 34 Fire Protection District No. 3, of the Parish of Beauregard, State of Louisiana was not required to retroactively report infrastructure assets in its financial statements, therefore, these assets have not been reported in the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements	20-40 years
Buildings	40-50 years
Furniture and fixtures	5-15 years
Vehicles	5-20 years
Machinery and equipment	5-20 years

**F. Compensated Absences**

The District does not allow and has no written policy relating to compensated absences.

**G. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position.



Notes to the Financial Statements (Continued)

The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**H. Fund Balances**

Unassigned Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**I. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence. The District had no extraordinary or special items as of December 31, 2022.

**J. 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 and expenditures during the reporting period. Actual results could differ from those estimates.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*BUDGET INFORMATION* The District uses the following budget practices:

1. The secretary prepares a proposed budget and submits same to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
2. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
3. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.
4. All budgetary appropriations lapse at the end of each fiscal year
5. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Commissioners. Such amendments were not material in relation to the original appropriations.

**3. CASH AND CASH EQUIVALENTS**

At December 31, 2022, the District had cash and cash equivalents (book balances) totaling \$183,801 as follows:

Time deposits	\$ 116,906
NOW account	65,595
Petty cash	1,300
Total	<u>\$ 183,801</u>

Fire Protection District No. 3

Notes to the Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are 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, 2022 the District had \$182,804 in deposits (collected bank balances). These deposits are secured from risk by \$182,804 federal deposit insurance.

**4. RECEIVABLES**

The receivables of \$426,223 at December 31, 2022, are as follows:

Class of receivable	General Fund
Taxes:	
Ad valorem	\$ 426,223

**5. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2022, for the District is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 25,303	\$ -	\$ -	\$ 25,303
Capital assets being depreciated				
Buildings	\$ 379,906	\$ -	\$ -	\$ 379,906
Improvements	22,595	10,035	-	32,630
Machinery and equipment	702,693	20,759	-	723,452
Furniture and fixtures	2,669	-	-	2,669
Vehicles	1,432,022	23,499	-	1,455,521
Total capital assets being depreciated	\$ 2,539,885	\$ 54,293	\$ -	\$ 2,594,178
Less accumulated depreciation for:				
Buildings	\$ 163,905	\$ 11,793	\$ -	\$ 175,698
Improvements	6,149	1,134	-	7,283
Machinery and equipment	609,607	35,126	-	644,733
Furniture and fixtures	2,669	-	-	2,669
Vehicles	694,613	60,744	-	755,357
Total accumulated depreciation	\$ 1,476,943	\$ 108,797	\$ -	\$ 1,585,740
Total capital assets being depreciated, net	\$ 1,062,942	\$ (54,504)	\$ -	\$ 1,008,438

Depreciation expense of \$108,797 for the year ended December 31, 2022, was charged to the following governmental functions:

Public safety	\$ 108,797
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Fire Protection District No. 3

Notes to the Financial Statements (Continued)

**6. ACCOUNTS AND OTHER PAYABLES**

The payables of \$35,256 at December 31, 2022 are as follows:

	<u>General Fund</u>
Payroll taxes	\$ 339
Accounts	10,588
Pension - Ad Valorem Tax	15,684
Unclaimed property payable	3,517
Accrued interest	5,128
Total	<u>\$ 35,256</u>

**7. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term debt transactions of the District for the year ended December 31, 2022:

	<u>Capital Lease Two Fire Trucks</u>
Capital lease payable, January 1, 2022	\$ 592,913
Additions	-
Principal payments	<u>(44,534)</u>
Capital lease payable, December 31, 2022	<u>\$ 548,379</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2022:

	<u>Capital Lease Two Fire Trucks</u>
Current portion	\$ 44,534
Long-term portion	<u>503,845</u>
Total	<u>\$ 548,379</u>

Capital lease payable at December 31, 2022 is comprised of the following individual issue:

Capital lease – Two Fire Trucks:

\$755,517 Capital Lease, dated October 2, 2017 due in annual installments of \$66,776 beginning October 2, 2018 through October 2, 2032; interest at 3.25%.

\$548,379

Fire Protection District No. 3

Notes to the Financial Statements (Concluded)

The annual requirements to amortize all debt outstanding as of December 31, 2022, including interest payments of \$119,377 are as follows:

<u>Year Ending</u>	<u>Capital Lease</u> <u>Two Fire Trucks</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 46,204	\$ 20,572	\$ 66,776
2024	47,938	18,838	66,776
2025	49,736	17,040	66,776
2026	51,602	15,174	66,776
2027	53,537	13,239	66,776
2028-2032	<u>299,362</u>	<u>34,514</u>	<u>333,876</u>
Totals	<u>\$ 548,379</u>	<u>\$ 119,377</u>	<u>\$ 667,756</u>

REQUIRED SUPPLEMENTAL INFORMATION

General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amount Budgetary Basis	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$ 255,000	\$ 444,470	\$ 444,467	\$ (3)
Insurance premium tax	17,250	31,050	31,049	(1)
Intergovernmental:				
Local grant	2,000	2,010	2,273	263
Investment income	640	1,100	1,096	(4)
Reimbursements	-	260	-	(260)
Total revenues	<u>\$ 274,890</u>	<u>\$ 478,890</u>	<u>\$ 478,885</u>	<u>\$ (5)</u>
Expenditures				
Current operating:				
Public safety	\$ 186,099	\$ 210,780	\$ 197,756	\$ 13,024
Capital outlay	30,000	41,300	54,293	(12,993)
Debt service:				
Principal payment	44,434	44,530	44,534	(4)
Interest expense	22,242	22,240	22,242	(2)
Total expenditures	<u>\$ 282,775</u>	<u>\$ 318,850</u>	<u>\$ 318,825</u>	<u>\$ 25</u>
Net change in fund balance	\$ (7,885)	\$ 160,040	\$ 160,060	\$ 20
Fund balances at beginning of year	<u>462,378</u>	<u>419,836</u>	<u>419,836</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 454,493</u></u>	<u><u>\$ 579,876</u></u>	<u><u>\$ 579,896</u></u>	<u><u>\$ 20</u></u>

OTHER SUPPLEMENTAL INFORMATION

Schedule of Compensation, Benefits and  
Other Payments to Agency Head  
For the Year Ended December 31, 2022

Agency Head Name - Darrell Kelly (January 1, 2022 - August 31, 2022)

Purpose	Amount
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Deferred compensation	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	5,250
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-



Schedule of Compensation, Benefits and  
Other Payments to Agency Head  
For the Year Ended December 31, 2022

Agency Head Name - Daryl Binford (September 1, 2022 - December 31, 2022)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Deferred compensation	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	1,575
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-

## OTHER REPORTS

Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2022

Finding – Financial Statement Audit

Audit Finding No. 2021-1

Prevention of Sexual Harassment Law Requirement Not Met

Condition: Not all of the board members nor the employees of the District met the one hour requirement training on the Prevention of Sexual Harassment Law.

Criteria: As of January 1, 2019 all public servants are required by R.S. 42:343 to complete one hour per year training on the Prevention of Sexual Harassment Law.

Cause and Condition: Neither the board members nor the employees of the District were aware of the one hour training requirement.

Effect of Condition: Violation of R.S. 42:343.

Recommendation: We recommend that all board members and employees of the District take the required one hour sexual harassment training each year and that the Clerk monitor the board members' and employees' compliance.

Date of Initial Occurrence - December 31, 2021

Corrective Action Taken - Yes

Schedule of Current Year Audit Findings and Management's Response  
For the Year Ended December 31, 2022

There were no current year audit findings for the year ending December 31, 2022.

# Windham & Reed, L.L.C.

*Certified Public Accountants*

1620 North Pine Street  
DeRidder, LA 70634  
Tel: (337) 462-3211  
Fax: (337) 462-0640

John A. Windham, CPA  
Charles M. Reed, Jr., CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

Members of the Board of Commissioners  
Fire Protection District No. 3  
Parish of Beauregard  
State of Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities and the major fund of Fire Protection District No. 3, Parish of Beauregard, State of Louisiana as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Fire Protection District No. 3, Parish of Beauregard, State of Louisiana's basic financial statements, and have issued our report thereon dated June 5, 2023.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fire Protection District No. 3, Parish of Beauregard, State of Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fire Protection District No. 3, Parish of Beauregard, State of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Fire Protection District No. 3, Parish of Beauregard, State of Louisiana's internal control.

*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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fire Protection District No. 3, Parish of Beauregard, State of Louisiana’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DeRidder, Louisiana  
June 5, 2023