

**RED RIVER PARISHWIDE
FIRE PROTECTION DISTRICT**

**FINANCIAL REPORT
December 31, 2021**

Red River Parishwide Fire Protection District
Financial Report
December 31, 2021

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December 31, 2021

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RED RIVER PARISHWIDE FIRE PROTECTION DISTRICT

P. O. Box 454
Coushatta, LA 71019

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Red River Parishwide Fire Protection District, Coushatta, Louisiana, (hereafter referred to as the "District") we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District as of and for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and supplemental information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

The District experienced an increase in its net position of \$249,348 during the fiscal year ended December 31, 2021. As of December 31, 2021, the assets of the District exceeded its liabilities by \$2,918,246. \$487,102 of this amount is reported as "unrestricted net position" and represents the amount available to be used to meet the District's ongoing obligations to the citizens of Red River Parish.

Ad valorem tax revenues increased \$29,924 from \$1,811,509 during 2020 to \$1,841,433 during 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplemental information (budgetary schedule) and other reports in addition to the basic financial statements. These components are described below:

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the District - the **Government-wide Financial Statements** and the **Fund Financial Statements**. These financial statements also include the **Notes to the Financial Statements** that explain some of the information in the financial statements and provide additional detail.

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the District's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the District's financial position, which assists users in assessing the District's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid and include all assets of the District as well as all liabilities (including long-term debt). The government-wide financial statements include two statements:

- **The Statement of Net Position** presents all of the District's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the District's net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

- **The Statement of Activities** presents information showing how the District's net position changed during the most recent year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years. This statement also presents a comparison between direct expenses and program revenues for each function of the District.

Both of the above financial statements present the governmental activities of the District.

Governmental Activities - The activities in this section are mostly supported by taxes and intergovernmental revenues (grants). The services provided by the District fall into this category.

The government-wide financial statements can be found immediately following the independent auditor's report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

Governmental funds: The basic services provided by the District are financed through the governmental fund. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the District's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the District.

Because the focus of the governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provides a reconciliation to facilitate this comparison between the governmental fund and the governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The District has one governmental fund, the General Fund, which is considered a major fund for presentation purposes.

The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the General Fund. Following the required supplemental information are other reports that are provided to show additional details.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Position

Net position may serve over time as a useful indicator of the District's financial position. The District's net position totaled \$2,918,246 and \$2,668,898 at the end of fiscal years 2021 and 2020, respectively.

At December 31, 2021, \$2,431,144 (83%) of the District's net position reflects the District's investment in capital assets such as land, buildings, vehicles, and station equipment, less any related debt used to acquire those assets that is still outstanding, compared to \$2,592,281 (97%) at the end of the prior fiscal year. The District uses these capital assets to provide services to the citizens of Red River Parish; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities.

A summary of the statement of net position is as follows:

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
ASSETS-		
Current and Other Assets	\$2,132,990	\$1,892,275
Capital assets, Net of Accumulated Depreciation	<u>3,984,144</u>	<u>4,259,281</u>
Total Assets	<u>\$6,117,134</u>	<u>\$6,151,556</u>
Deferred Outflows of Resources	<u>\$ 781,001</u>	<u>\$1,380,241</u>
LIABILITIES-		
Current Payables	\$ 95,078	\$ 285,004
Long-term Debt	1,553,000	1,667,000
Compensated Absences	20,920	32,473
Net Pension Liability	<u>1,234,097</u>	<u>2,686,031</u>
Total Liabilities	<u>\$2,903,095</u>	<u>\$4,670,508</u>
Deferred Inflows of Resources	<u>\$1,076,794</u>	<u>\$ 192,391</u>
NET POSITION-		
Net Investment in Capital Assets	\$2,431,144	\$2,592,281
Unrestricted	<u>487,102</u>	<u>76,617</u>
Total Net Position	<u>\$2,918,246</u>	<u>\$2,668,898</u>

Changes in Net Position

The District's net position increased by \$249,348 and decreased by \$376,804 during the years ended December 31, 2021 and 2020, respectively.

Approximately \$1,989,711 was derived from general revenues including ad valorem taxes, miscellaneous revenues, and interest during 2021 compared to \$2,209,123 during the prior year.

A summary statement of activities is as follows:

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Program Revenues-		
Grants and contributions	\$ 135,135	\$ 136,274
General Revenues:		
Ad valorem taxes	1,841,433	1,811,509
Interest & Dividends	39,492	35,688
Insurance Recovery	3,777	28,954
Miscellaneous	5,526	22,704
Gain/Loss Investments/Asset Sales	0	7,541
Nonemployee Pension Revenue	<u>99,483</u>	<u>108,571</u>
Total Revenues	\$2,124,846	\$2,151,241
Expenses-		
Public safety	<u>1,875,498</u>	<u>2,528,045</u>
Change in Net Position	\$ 249,348	\$ (376,804)
Net Position-Beginning of Year	<u>2,668,898</u>	<u>3,045,702</u>
Net Position-End of Year	<u>\$2,918,246</u>	<u>\$2,668,898</u>

FINANCIAL ANALYSIS OF THE INDIVIDUAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund

The focus of the District's governmental fund is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

At the end of the current fiscal year, the District's governmental fund reported an ending fund balance of \$2,037,912, an increase of \$430,642 from the prior year. Unassigned fund balance is \$2,031,966, which is available for spending at the District's discretion.

GENERAL FUND BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the District complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

The District's budget was amended once during the year. Expenditures were \$54,026 more than the budgeted amounts. Revenues, from all sources, available for expenditure were \$32,103 more than the budgeted amounts.

CAPITAL ASSET ADMINISTRATION

The District's investment in capital assets for its governmental activities as of December 31, 2021 totaled \$7,099,069, net of accumulated depreciation of \$3,114,925, leaving a book value of \$3,984,144. This investment in capital assets consists of land, buildings, vehicles, and station equipment. Depreciation charges for the year 2021 totaled \$275,137.

DEBT ADMINISTRATION

At the end of the current fiscal year, the District had total long-term liabilities of \$2,808,017. Long-term liabilities of the District includes a net pension liability of \$1,234,097 based on actuarially determined amounts in accordance with GASB No. 68 and bonds payable of \$1,553,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary revenue source for the District is property taxes.

The following economic factors were considered when the budget for the fiscal year ended December 31, 2022 was prepared:

- The District expects property tax to remain the same during 2022.
- The District expects a significant grant to be received and spent on equipment in 2022.
- The District expects administrative and operating expenses to decrease from prior years.

CONTACTING THE DISTRICT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Red River Parishwide Fire Protection District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District at P. O. Box 454, Coushatta, Louisiana 71019.

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INDEPENDENT AUDITOR'S REPORT

Red River Parishwide Fire Protection District
P. O. Box 454
Coushatta, LA 71019

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Red River Parishwide Fire Protection District (District), a component unit of the Red River Parish Police Jury, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District'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 major fund of the District as of December 31, 2021, 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 and the *Louisiana Governmental Audit Guide*. 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related 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 these 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 District's ability to continue as a going concern for twelve months beyond the financial statements 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 opinion. 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 District'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 District'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, Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions on pages 1 through 5 and 36 through 38 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer 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 or Chief Executive Officer is fairly stated, in all material respects, in relation to the 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 27, 2022, on our consideration of the District'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 District'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 the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 27, 2022, on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPAs

Thomas, Cunningham, Broadway, & Todtenbier
Natchitoches, Louisiana

June 27, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Red River Parishwide Fire Protection District
Statement of Net Position
December 31, 2021

	Governmental <u>Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 344,295
Receivables	1,782,749
Prepaid Insurance	<u>5,946</u>
Total Current Assets	\$2,132,990
Non-current Assets-	
Capital Assets (Net)	<u>3,984,144</u>
Total Assets	\$ <u>6,117,134</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pensions	\$ <u>781,001</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 56,997
Payroll Liabilities	38,081
Current Portion of Long-term Debt	<u>123,000</u>
Total Current Liabilities	\$ <u>218,078</u>
Long-Term Liabilities-	
Long-term Debt - Net of current portion	\$1,430,000
Compensated Absences payable	20,920
Net Pension Liability	<u>1,234,097</u>
Total Long-Term Liabilities	\$2,685,017
Total Liabilities	\$2,903,095
DEFERRED INFLOWS OF RESOURCES:	
Pensions	\$ <u>1,076,794</u>
NET POSITION:	
Net Investment in Capital Assets	\$2,431,144
Unrestricted	<u>487,102</u>
Total Net Position	\$ <u>2,918,246</u>

See independent auditors' report and notes to financial statements.

Red River Parishwide Fire Protection District
Statement of Activities
December 31, 2021

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense) Revenue and Changes <u>in Net Position</u> <u>Governmental Activities</u>
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Public Safety	<u>\$1,875,498</u>	<u>\$0</u>	<u>\$135,135</u>	<u>\$(1,740,363)</u>
	General Revenues:			
	Taxes-			
	Ad Valorem			\$ 1,841,433
	Interest & Dividends			39,492
	Miscellaneous			5,526
	Insurance Recovery			3,777
	Nonemployer Pension Revenue			<u>99,483</u>
	Total General Revenues			<u>\$ 1,989,711</u>
	Change in Net Position			\$ 249,348
	Net Position December 31, 2020, Restated (See Note 15)			<u>2,668,898</u>
	Net Position December 31, 2021			<u>\$ 2,918,246</u>

See independent auditors' report and notes to financial statements.

FUND FINANCIAL STATEMENTS

Red River Parishwide Fire Protection District
Balance Sheet-Governmental Fund
December 31, 2021

Assets:

Cash & Cash Equivalents	\$ 344,295
Receivables	1,782,749
Prepaid Insurance	<u>5,946</u>
Total Assets	<u>\$2,132,990</u>

Liabilities:

Accounts Payable	\$ 56,997
Payroll Liabilities	<u>38,081</u>
Total Liabilities	<u>\$ 95,078</u>

Fund Balance:

Nonspendable	\$ 5,946
Unassigned	<u>2,031,966</u>
Total Fund Balance	<u>\$2,037,912</u>
Total Liabilities and Fund Balance	<u>\$2,132,990</u>

See independent auditors' report and notes to financial statements.

Red River Parishwide Fire Protection District
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2021

Total Fund Balance of the Governmental Fund	\$ 2,037,912
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets used in Governmental Activities are not current financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet-	
Capital Assets	7,099,069
Less, Accumulated Depreciation	(3,114,925)
Deferred Outflows of Resources used in Governmental Activities are not financial resources and therefore are not reported in the Governmental Fund Balance Sheet-	
	781,001
Long-term Liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet-	
Bonds Payable	(1,553,000)
Compensated Absences Payable	(20,920)
Net Pension Liability	(1,234,097)
Deferred Inflows of Resources are not due and payable in the current period and, therefore are not reported in the Governmental Fund Balance Sheet-	
	<u>(1,076,794)</u>
Net Position of Governmental Activities	<u>\$ 2,918,246</u>

See independent auditors' report and notes to financial statements.

Red River Parishwide Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund
Year Ended December 31, 2021

REVENUES:	
Taxes-	
Ad Valorem	\$1,841,433
Intergovernmental-	
State Supplemental Pay	86,400
Fire Insurance Rebate	42,817
Grant Income	5,918
Miscellaneous-	
Interest/Dividends	39,492
Other/Donations	<u>5,526</u>
Total Revenues	<u>\$2,021,586</u>
EXPENDITURES:	
Current-	
Public Safety	
Payroll & Related Benefits	\$1,124,331
Ad Valorem Pension Expenditures	64,603
Insurance	55,774
Professional Services	35,869
Office Supplies & Expenses	20,624
Utilities	29,608
Repairs & Maintenance	37,199
Fuel	16,031
Education	1,409
Fire Fighting Supplies	51,188
Debt Service- Principal & Interest	<u>158,085</u>
Total Expenditures	<u>\$1,594,721</u>
Excess of Revenues over Expenditures	\$ 426,865
OTHER FINANCING SOURCES:	
Insurance Recovery	<u>3,777</u>
Net Change in Fund Balance	\$ 430,642
Fund Balance-Beginning of Year, Restated (See Note 15)	<u>1,607,270</u>
Fund Balance-End of Year	<u>\$2,037,912</u>

See independent auditors' report and notes to financial statements.

Red River Parishwide Fire Protection District
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, 2021

Net Change in Fund Balance - Governmental Fund \$ 430,642

Amounts reported for Governmental Activities in the Statement of
Activities are different because:

Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. These timing differences are summarized below:

Depreciation Expense	(275,137)
Long-term Debt Payments	114,000
Non-Employer Pension Revenue	99,483
Pension Expense	(131,192)
Accrued Compensated Absences	<u>11,552</u>

Change in Net Position of Governmental Activities \$ 249,348

See independent auditors' report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Red River Parishwide Fire Protection District
Notes to Financial Statements
December 31, 2021

Introduction:

The Red River Parishwide Fire Protection District (hereafter referred to as the District) was created by the Red River Parish Police Jury, as authorized by Louisiana Revised Statutes 40:1496-17. The District is governed by an eight-member board appointed by the Red River Parish Police Jury as follows: two members are from the Coushatta Fire District and one from each of the other six fire districts within Red River Parish. Board members serve without compensation. The District is responsible for maintaining and operating fire stations and equipment and for providing fire protection and rescue services to the residents of Red River Parish.

1. Summary of Significant Accounting Policies:

The accounting and reporting policies of Red River Parishwide Fire Protection District 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*.

A. Reporting Entity-

As the governing authority of the Parish, for reporting purposes, the Red River Parish Police Jury (Police Jury) is the financial reporting entity for Red River Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Red River 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.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Red River Parishwide Fire Protection District
Notes to Financial Statements
December 31, 2021

Because the Police Jury created and appoints the board members of the District, the District was determined to be a component unit of the Red River Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the fund maintained by the District and does 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.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Net Position presents the governmental-type activities on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

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.

C. 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.

The District maintains only one 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.

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D. Measurement Focus/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 regardless of the measurement focus applied.

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, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, and Equity-

Cash and Cash Equivalents-

For purposes of the Statement of Net Position, cash and cash equivalents include all demand accounts, savings accounts, and certificates of deposit of the District.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column 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 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.

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

<u>Description</u>	<u>Estimated Life</u>	<u>Capitalization Threshold</u>
Land	N/A	\$ 1
Communications Equipment	5 years	1,000
Vehicles	5 years	5,000
Other	5 years	5,000
Station Equipment	5 years	5,000
Land Improvements	20 years	5,000
Buildings	30 years	5,000
Building Improvements	20 years	5,000
Fire Trucks	5-15 years	5,000

Equity Classifications-

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources 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 provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. 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;

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- 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;
- 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. Only the General Fund would report positive amounts in unassigned fund balance.

The General Fund has an unassigned fund balance of \$2,031,966. If applicable, the District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Budget-

Prior to the beginning of each fiscal year, the Red River Parishwide Fire Protection District adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year.

G. 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reported period. Actual results could differ from those estimates.

H. Deferred Outflows/Inflows of Resources-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

Red River Parishwide Fire Protection District
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2. Cash and Cash Equivalents:

The cash and cash equivalents of the Red River Parishwide Fire Protection District are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. 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 or exceed 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. 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 bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

Bank account balances at December 31, 2021, totaled \$344,490, of which \$250,000 is secured by FDIC and \$94,490 is secured by pledged securities.

3. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2021, is as follows:

Governmental Activities	Balance <u>01-01-21</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12-31-21</u>
Capital Assets Not Depreciated:				
Land	\$ 193,055	\$ 0	\$ 0	\$ 193,055
Capital Assets Depreciated:				
Buildings & building improvements	3,750,527	0	0	3,750,527
Vehicles	2,451,163	0	0	2,451,163
Equipment	<u>715,818</u>	<u>0</u>	<u>(11,494)</u>	<u>704,324</u>
Total Assets	<u>\$7,110,563</u>	<u>\$ 0</u>	<u>\$(11,494)</u>	<u>\$7,099,069</u>
Less: Accumulated Depreciation:				
Buildings & building improvements	\$ 470,357	\$ 88,352	\$ 0	\$ 558,709
Vehicles	1,805,801	147,454	0	1,953,255
Equipment	<u>575,124</u>	<u>39,331</u>	<u>(11,494)</u>	<u>602,961</u>
Total Depreciation	<u>\$2,851,282</u>	<u>\$ 275,137</u>	<u>\$(11,494)</u>	<u>\$3,114,925</u>
Net Capital Assets	<u>\$4,259,281</u>	<u>\$(275,137)</u>	<u>\$ 0</u>	<u>\$3,984,144</u>

Depreciation expense of \$275,137 was charged to the public safety function.

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4. Ad Valorem Taxes:

The District levies taxes on real and business personal property located within the boundaries of the Red River Parishwide Fire Protection District. Property taxes are levied by the District on property values assessed by the Red River Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Red River 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 are due	December 31
Penalties and 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 the voters of the District.

Assessed values are established by the Red River Parish Tax 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, 2021. Total assessed value was \$245,792,800 in 2021. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$11,810,420 of the assessed value in 2021. For the year ended December 31, 2021, taxes of 7.87 mils were levied on the property and were dedicated to fire protection.

5. Compensated Absences:

All full-time employees earn annual leave at rates varying from eighteen to thirty days each year depending upon length of service. Accrual of annual leave will be terminated at the time the employee is terminated, resigns, retires, or otherwise ends employment. Leave can accumulate up to 240 hours.

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The following is a summary of the accrual of compensated absences for the year ended December 31, 2021:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
\$32,473	\$0	(\$11,553)	\$20,920

6. Long-Term Liabilities:

For the year ended December 31, 2016, the District had issued \$3,000,000 in Certificates of Indebtedness, Series 2016. The Certificates of Indebtedness are to be paid from the existing ad valorem tax. The Certificates R-1 through R-7 were purchased by Whitney Bank of New Orleans, Louisiana. The interest rate is 1.575% to 1.725% with payment date of March 1st of each year for principal and interest, and September 1st of each year for interest only. Payments began March of 2017. The Certificates were refunded during the current year.

Bonds of \$1,404,000 were issued on December 10, 2021 at an interest rate of 0.60% to 4.0%. The payment date remains on March 1st and September 1st, beginning March 1, 2021 and maturing on March 1, 2033.

On January 2, 2021, the District obtained \$300,000 in Taxable Limited Tax Bonds, Series 2021, which were purchased by Sabine State Bank. The interest rate is 4.75% with a payment date of June 1st of each year for principal and interest, and December 1st of each year for interest only. Payments began June 1, 2021 and mature on June 1, 2024.

Interest expense of \$44,085 was charged to the public safety function.

The combined future maturities for the bonds payable are as follows:

<u>Year Ending Dec. 31</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 123,000	\$ 47,812
2023	126,000	44,834
2024	130,000	41,491
2025	134,000	37,735
2026	116,000	34,611
2027-2031	634,000	119,138
2032-2033	<u>290,000</u>	<u>11,720</u>
Total	<u>\$1,553,000</u>	<u>\$337,341</u>

The following is a summary of changes in all long-term liabilities for the year ended December 31, 2021.

<u>Governmental Activities</u>	<u>Balance 01-01-21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-21</u>
Compensated Absences	\$ 32,473	\$0	\$ 11,553	\$ 20,920
Bonds Payable	1,667,000	0	114,000	1,553,000
Net Pension Liability	<u>2,686,031</u>	<u>0</u>	<u>1,451,934</u>	<u>1,234,097</u>
Total	<u>\$4,385,504</u>	<u>\$0</u>	<u>\$1,577,487</u>	<u>\$2,808,017</u>

Red River Parishwide Fire Protection District
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7. Firefighters' Retirement System of Louisiana (FRS):

Plan Description

The District contributes to FRS which is a cost-sharing multiple employer defined benefit pension plan. FRS was established by Act 434 of 1979 to provide retirement, disability and survivor benefits to firefighters in Louisiana.

The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through FRS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by Louisiana Revised Statutes 11:2251 - 11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements

Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Members in FRS consist of full-time firefighters, eligible employees of the retirement system, or any person in a position as defined in the municipal fire and police civil service system that earns at least \$375 per month, excluding state supplemental pay, and is employed by a fire department of any municipality, parish, or fire protection district of the State of Louisiana, excepting Orleans Parish and the City of Baton Rouge.

No person who has attained age 50 or over shall become a member of FRS, unless the person becomes a member by reason of a merger or unless FRS received an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 years shall become a member of FRS.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of FRS, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with FRS, or for any other purpose in order to attain eligibility or increase the amount of service credit in FRS.

FRS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.lafirefightersret.com or www.la.state.la.us.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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Retirement

Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement.

See R.S. 11:2256(A) for additional details on retirement benefits.

Disability Benefits

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title II, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

Death Benefits

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

Deferred Retirement Option Plan (DROP)

After completing 20 years of creditable service and attaining the age of 50 years, or 25 years at any age, a member may elect to participate in DROP for up to 36 months.

Upon commencement of participation in DROP, employer and employee contributions to FRS cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to FRS. No withdrawals may be made from the DROP account until the participant retires.

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Initial Benefit Option Plan

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Cost-of-Living Adjustments (COLAs)

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost-of-living adjustment (COLA) increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the Board to grant either of these increases, the system must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLA's, pursuant to R.S. 11:241, the board may also grant an increase based on a formula equal to up to \$1 times the total number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. If there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years, then the rate shall be reduced in proportion to the amount of funds that are available to fund the cost-of-living adjustment.

Contributions

Contribution requirements for employers, non-employer contributing entities, and employees are established and may be amended in accordance with Title 11 and Title 22 of the Louisiana Revised Statutes.

According to State statute, employer contributions are actuarially-determined each year. For the year ended June 30, 2021, employer and employee contributions for members above the poverty line were 32.25% and 10%, respectively. The employer and employee contribution rates for those members below the poverty line were 34.25% and 8.0%, respectively.

According to State statute, the system receives insurance premium assessments from the state of Louisiana. The assessment is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue, but are excluded from pension expense. Non-employer contributions received by the system during the year ended June 30, 2021, were \$99,483.

The District's contractually required composite contribution rate for the year ended December 31, 2021 was 33.75% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were \$236,672 for the year ended December 31, 2021.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the District reported a liability of \$1,234,097 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was 0.34824%, which was a decrease of 0.03927% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the District recognized pension expense of \$121,570 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$246,442.

At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,611	\$ 110,825
Changes in assumption	267,420	0
Net difference between projected and actual earnings on pension plan investments	0	748,922
Changes in employer's proportion of beginning net pension liability	372,669	215,434
Differences between employer contributions and proportionate share of employer contributions	7	1,613
Subsequent Measurement Contributions	123,294	0
Total	\$781,001	\$1,076,794

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date in the amount of \$123,294, will be recognized as a reduction of the Net Pension Liabilities in the year December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:	
2022	\$ 64,697
2023	(60,616)
2024	(144,097)
2025	(250,410)
2026	(12,910)
2027	(15,751)
Total	\$(419,087)

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Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 is as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method for Financial Reporting	Entry Age Normal Cost
Investment Rate of Return (Discount Rate)	6.9% per annum, net of investment expenses, including inflation
Expected Remaining Service Lives	7 years, closed period
Inflation Rate	2.50% per annum
Salary Increases	14.10% in the first two years of service and 5.20% with 3 or more years of service; including inflation and merit increases
Cost-of-Living Adjustments (COLAs)	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

For the June 30, 2021 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. The actuary's method incorporates information from multiple consultants and investment firms regarding future expected rates of return, variances, and correlation coefficients for each asset class. The change integrates data from multiple sources to produce average values thereby reducing on a single data source.

The June 30, 2021, estimated long-term expected rate of return on pension plan investments was determined by FRS's actuary using the System's target asset allocation and the G.S. Curran & Company Consultant Average study for 2021. The Consultants' Average Study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal

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returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for FRS and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. Subsequent to the actuary's calculation of the long-term expected real rate of return in January 2021, the Board voted to amend the target asset allocation. These changes include an increase to target weight in public equity, a decrease in the target weight in fixed income, and the inclusion of a target weight in private real assets. The changes in the target asset allocation are reflected in the table below. FRS's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2021.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
		<u>Real</u>
Equity	56%	27.34%
Fixed Income	26%	4.12%
Alternatives	18%	23.18%
Total	<u>100%</u>	

The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the board of trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the actuary. Based on those assumptions, the FRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Based on these assumptions, FRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the Net Pension Liability using the discount rate of 6.9%, as well as what the District's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.9%) or one percentage-point higher (7.9%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$2,367,524	\$1,234,097	\$288,831

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Retirement System Audit Report

The System issued a standalone audit report on its financial statements for the year ended June 30, 2021. Access to the audit report can be found on the Louisiana Legislative Auditor's official website at www.la.la.gov and on the System's website at www.ffret.com.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$35,643, which is the legally required contribution due at December 31, 2021. This amount is recorded in accounts payable.

8. Pending Litigation:

There were no civil suits seeking damages against the District outstanding at December 31, 2021.

9. Related Party Transactions:

The District had no identified related party transactions for the year ended December 31, 2021.

10. Compensation Paid to Board Members:

The members of the Board of Commissioners of the District receive no compensation for their services.

11. Post-Employment Benefits:

The District does not provide any post-employment benefits; therefore, no disclosure for GASB 45 is required.

12. Receivables:

The District had receivables at December 31, 2021 consisting of the following:

Ad Valorem Taxes	\$1,776,831
Other Receivables	<u>5,918</u>
	<u>\$1,782,749</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

13. On-Behalf Payments:

Employees of the District receive supplemental pay from the State of Louisiana. In accordance with GASB Statement No. 24, the District has recorded revenues and expenditures of \$86,400 for these payments in the General Fund.

Red River Parishwide Fire Protection District
Notes to Financial Statements
December 31, 2021

14. Lease:

The District has a land lease for property where a communication tower is located for \$450/month with an individual. The lease is renewable in terms of twenty years, with the current lease expiring April 25, 2028. Lease expense for the current year was \$5,400.

15. Restatement of Fund Balance:

For the year ended December 31, 2020, ad valorem tax revenues were overstated by \$94,039 and expenditures were understated by \$3,500. Therefore, fund balance and net position were overstated by \$97,539. As a result of the prior period misstatements, an adjustment was made in the current year to correct the governmental fund balance at January 1, 2021, decreasing it by \$97,539 from \$1,704,809 to \$1,607,270. The net position at January 1, 2021 decreased by \$97,539 from \$2,766,437 to \$2,668,898.

16. Tax Abatement:

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending December 31, 2021, approximately \$1,326 ad valorem tax revenues were abated from the District by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

17. Subsequent Events:

Management has evaluated events through June 27, 2022, the date which the financial statements were available for issue. There were not any items noted that needed to be reported.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

Red River Parishwide Fire Protection District
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES:				
Taxes-				
Ad Valorem	\$1,638,000	\$1,812,600	\$1,841,433	\$ 28,833
Intergovernmental-				
State Supplemental Pay	94,250	86,550	86,400	(150)
Fire Insurance Rebate	0	45,550	42,817	(2,733)
Grant Income	0	0	5,918	5,918
Miscellaneous-				
Interest & Dividends	0	39,560	39,492	(68)
Other	<u>0</u>	<u>9,000</u>	<u>5,526</u>	<u>(3,474)</u>
Total Revenues	<u>\$1,732,250</u>	<u>\$1,993,260</u>	<u>\$2,021,586</u>	<u>\$ 28,326</u>
EXPENDITURES:				
Current-				
Public Safety-				
Payroll & Related Benefits	\$ 840,230	\$ 982,920	\$1,124,331	\$(141,411)
Ad Valorem Pension Expenditures	98,373	0	64,603	(64,603)
Insurance	250,000	197,125	55,774	141,351
Professional Services	56,500	35,650	35,869	(219)
Office Supplies & Expenses	87,350	30,215	20,624	9,591
Utilities	0	29,100	29,608	(508)
Repairs & Maintenance	30,000	40,500	37,199	3,301
Fuel	0	15,000	16,031	(1,031)
Education	0	2,100	1,409	691
Fire Fighting Supplies	0	50,000	51,188	(1,188)
Debt Service – Principal & Interest	<u>332,271</u>	<u>158,085</u>	<u>158,085</u>	<u>0</u>
Total Expenditures	<u>\$1,694,724</u>	<u>\$1,540,695</u>	<u>\$1,594,721</u>	<u>\$ (54,026)</u>
Excess of Revenues over Expenditures	\$ 37,526	\$ 452,565	\$ 426,865	\$ (25,700)
Other Financing Sources:				
Insurance Recovery	<u>0</u>	<u>0</u>	<u>3,777</u>	<u>3,777</u>
Net Change in Fund Balance	\$ 37,526	\$ 452,565	\$ 430,642	\$ (21,923)
Fund Balance-Beginning of Year, Restated	<u>1,607,270</u>	<u>1,607,270</u>	<u>1,607,270</u>	<u>0</u>
Fund Balance-End of Year	<u>\$1,644,796</u>	<u>\$2,059,835</u>	<u>\$2,037,912</u>	<u>\$ (21,923)</u>

See independent auditors' report and notes to financial statements.

Red River Parishwide Fire Protection District
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2021

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
2015	.09242%	\$ 498,801	\$ 433,769	115%	72.45%
2016	.25916%	\$1,695,122	\$ 708,114	240%	68.16%
2017	.31862%	\$1,826,287	\$ 842,028	217%	73.55%
2018	.39129%	\$2,250,736	\$ 931,449	242%	74.76%
2019	.39125%	\$2,449,991	\$ 959,362	255%	73.96%
2020	.38751%	\$2,686,031	\$1,015,096	265%	72.61%
2021	.34824%	\$1,234,097	\$ 717,337	172%	86.78%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Red River Parishwide Fire Protection District
Schedule of Employer Contributions
For the Year Ended December 31, 2021

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$122,175	\$122,175	\$0	\$ 433,769	28.17%
2016	\$185,759	\$185,759	\$0	\$ 708,114	26.23%
2017	\$218,340	\$218,340	\$0	\$ 842,028	25.93%
2018	\$246,834	\$246,834	\$0	\$ 931,449	26.50%
2019	\$260,129	\$260,129	\$0	\$ 959,362	27.11%
2020	\$305,187	\$305,187	\$0	\$1,015,096	30.06%
2021	\$236,821	\$236,821	\$0	\$ 717,337	33.01%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Red River Parishwide Fire Protection District
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2021

	Shane Felts, Fire Chief	Jeremy Neal, Acting Fire Chief	John Woodfin, Fire Chief
	1/1/21 – 2/1/21	3/8/21 – 10/11/21	10/13/21 – 12/31/21
Purpose			
Salary	\$ 9,567	\$43,536	\$ 7,685
Benefits – Insurance	634	3,144	0
Benefits – Retirement	3,532	16,012	2,882
Deferred Compensation	1,095	4,837	854
Cell Phone	200	0	0
Reimbursements	0	148	491
Total	\$15,028	\$67,677	\$11,912

See independent auditor's report.

OTHER REPORTS/SCHEDULES

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

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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*

Red River Parishwide
Fire Protection District
P. O. Box 454
Coushatta, LA 71019

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Red River Parishwide Fire Protection District's (District) basic financial statements and have issued our report thereon dated June 27, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 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 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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPAs

Thomas, Cunningham, Broadway, & Todtenbier
Natchitoches, Louisiana

June 27, 2022

Red River Parishwide Fire Protection District
Schedule of Audit Results
Year Ended December 31, 2021

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Red River Parishwide Fire Protection District as of and for the year ended December 31, 2021.
2. There were no material weaknesses identified in internal control during the audit of the financial statements.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

No findings identified.

III. PRIOR YEAR AUDIT FINDINGS

Compliance-

2020-001 Local Government Budget Act

Condition - For the year ended December 31, 2020, actual expenditures were more than budgeted expenditures by more than 5%, and the budget was not amended accordingly.

Status - This finding was cleared at December 31, 2021.

2020-002 Firefighter's Retirement System

Condition - For the last three months of 2020, the District contributed only 9% of total employee compensation to the retirement system.

Status - This finding was cleared at December 31, 2021.

Internal Control-

2020-003 Employee Leave Benefits

Condition - For the year ended December 31, 2020, two employees received payment for leave in excess of their available accumulated leave.

Status - This finding was cleared at December 31, 2021.

Red River Parishwide Fire Protection District
Schedule of Audit Results (continued)
Year Ended December 31, 2021

2020-004 *Internal Control over Accounting*

Condition - The District contracted with an outside company (PMI Resource) to handle certain accounting functions. PMI Resource did not handle the District's funds properly.

Status - This finding was cleared at December 31, 2021.

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**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES**

To the Red River Parishwide Fire Protection District and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Red River Parishwide Fire Protection District’s (District) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user for this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
 - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - ***Disbursements***, including processing, reviewing, and approving.
 - ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedule.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
 - a) Procedure Results - We noted exceptions. The written policies and procedures do not address disbursements, receipts, debt service, disaster recovery/business continuity, and sexual harassment.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

- Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.

a) Procedure Results – We noted no exceptions with regard to Board or Finance Committee.

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:

- Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
- Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and
- Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

a) Procedure Results – We noted no exceptions with regard to Bank Reconciliations.

Collections (excluding electronic funds transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).

5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:

- Employees that are responsible for cash collections do not share cash drawers/registers.
- Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

- The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was enforced during the fiscal period.
7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under “Bank Reconciliations” above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:
- We observed that receipts are sequentially pre-numbered.
 - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - We traced the deposit slip total to the actual deposit per the bank statement.
 - We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - We traced the actual deposit per the bank statement to the general ledger.
- a) Procedure Results – We noted no exceptions with regard to Collections.

Non-Payroll Disbursements – General (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
- At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:

- We observed that the disbursement matched the related original itemized invoice and that documentation indicates that deliverables included on the invoice were received by the entity.
- We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

a) Procedure Results – We noted no exceptions with regard to Non-Payroll Disbursements.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:

- We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
- We observed that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

a) Procedure Results – We noted no exceptions with regard to Credit Cards/Debit Cards/Fuel Cards/P-Cards.

Travel and Expense Reimbursement

14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected five reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

- If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
 - a) Procedure Results – We noted no exceptions with regard to Travel and Expense Reimbursements.

Contracts

15. We obtained from management a listing of all agreements/contracts for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, excluding our contract, and:
- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.
- a) Procedure Results – We noted no exceptions with regard to Contracts.

Payroll and Personnel

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:
- We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

- We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.
18. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. If applicable, we agreed the hours to the employees or officials' cumulative leave records, and the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and the termination payment to entity policy.
19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.
- a) Procedure Results – We noted no exceptions with regard to Payroll and Personnel.

Ethics

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:
- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - We observed that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- a) Procedure Results – We noted no exceptions with regard to Ethics.

Debt Service

21. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
- a) Procedure Results – We noted no exceptions with regard to Debt Service.

Fraud Notice

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the District attorney of the parish in which the entity is domiciled.
24. We observed whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
- a) Procedure Results – We noted no exceptions with regard to the Fraud Notice.

Information Technology Disaster Recovery/Business Continuity

25. We performed the following procedures:
- We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on the physical medium (e.g., tapes, CDs), we observed that backups are encrypted before being transported.
 - We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- a) Procedure Results – We noted no exceptions with regard to Information Technology Disaster Recovery/Business Continuity.

Sexual Harassment

26. We randomly selected the employees/officials from procedure #16 under "Payroll and Personnel" above, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. We observed that the entity has posted its sexual harassment policy and complaint procedures on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:
- Number and percentage of public servants in the agency who have completed the training requirements;

- Number of sexual harassment complaints received by the agency;
- Number of complaints which resulted in a finding that sexual harassment occurred;
- Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- Amount of time it took to resolve each complaint.

a) Procedure Results – We noted no exceptions with regard to Sexual Harassment.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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Natchitoches, Louisiana

June 27, 2022

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

Item 1: Exception - The written policies and procedures do not address disbursements, receipts, debt service, disaster recovery/business continuity, and sexual harrassment.

Response - We will implement written policies and procedures to address disbursements, receipts, debt service, disaster recovery/business continuity, and sexual harrassment.