

**WASHINGTON PARISH FIRE PROTECTION DISTRICT No. 7
BOGALUSA, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
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Independent Auditor's Report

To the Members of the Board of Commissioners of
Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of Washington Parish Fire Protection District No. 7 (the "District"), a component unit of Washington Parish Government, as of and for the year ended December 31, 2023, 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 general fund of the District, as of December 31, 2023, 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the District adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Budgetary Comparison Schedule, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 27, 28, and 29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

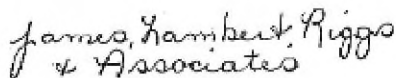
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2024, 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.



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 6, 2024

Basic Financial Statements

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Statement of Net Position
December 31, 2023

Exhibit A

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 285,256
Taxes Receivable, Net of Uncollectible Accounts	671,743
State Revenue Sharing Receivable	40,963
Land	23,000
Capital Assets, Net of Accumulated Depreciation	<u>588,331</u>
Total Assets	\$ <u>1,609,293</u>
Deferred Outflows of Resources	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 87,656
Differences Between Expected and Actual Experience Changes in Assumptions	20,192
	39,133
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	44,895
Contributions Subsequent to the Measurement Date	<u>45,134</u>
Total Deferred Outflows of Resources	\$ <u>237,010</u>
Liabilities	
Accounts Payable	\$ -
Payroll Liabilities	28,236
Pension Fund Deduction Payable	-
Compensated Absences Payable	12,520
Net Pension Liability	<u>646,728</u>
Total Liabilities	\$ <u>687,484</u>
Deferred Inflows of Resources	
Differences Between Expected and Actual Experience	\$ 22,157
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	<u>208,991</u>
Total Deferred Inflows of Resources	\$ <u>231,148</u>
Net Position	
Net Investment in Capital Assets	\$ 611,331
Unrestricted	<u>316,340</u>
Total Net Position	\$ <u>927,671</u>

The accompanying notes are an integral part of these financial statements

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Statement of Activities
For the Year Ended December 31, 2023

Exhibit B

	<u>Governmental Activities</u>
Expenses:	
Public Safety - Fire Protection:	
Salaries & Related Benefits	\$ 478,017
State Supplemental Pay	29,100
Depreciation	77,783
Insurance	95,296
Pension Fund Mandate	24,070
Repairs & Maintenance	32,426
Fuel & Oil	16,862
Professional Fees	21,993
Supplies	1,011
Gear & Uniforms	3,012
Utilities	21,154
Election Expense	4,658
Telephone	11,011
Office Supplies & Postage	4,773
Training	695
Dues & Subscriptions	1,224
Miscellaneous	7,054
Total Program Expenses	<u>830,139</u>
General Revenues:	
Ad Valorem Taxes	702,416
State Revenue Sharing	40,963
Fire Insurance Rebate	38,603
On Behalf Payments - State Supplemental Pay	29,100
Interest	2,806
Other Revenues	18,287
Value of Donated Assets	125,000
Contributions from Non-Employer Contributing Entities	29,017
Total General Revenues	<u>986,192</u>
Change in Net Position	156,053
Net Position - Beginning of Year	<u>771,618</u>
Net Position - End of Year	<u>\$ 927,671</u>

The accompanying notes are an integral part of these financial statements

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
 Governmental Fund Balance Sheet
 December 31, 2023

Exhibit C

	<u>General Fund</u>
Assets	
Cash and Cash Equivalents	\$ 285,256
Taxes Receivable, Net	671,743
State Revenue Sharing Receivable	<u>40,963</u>
 Total Assets	 \$ <u>997,962</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts Payable	\$ -
Payroll Liabilities	15,266
Accrued Wages Payable	12,970
Pension Fund Deduction Payable	<u>-</u>
Total Liabilities	<u>28,236</u>
 Fund Balance:	
Unassigned	<u>969,726</u>
Total Fund Balance	<u>969,726</u>
 Total Liabilities and Fund Balance	 \$ <u>997,962</u>

The accompanying notes are an integral part of these financial statements

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
 Reconciliation of the Governmental Fund Balance Sheet to the
 Government-Wide Statement of Net Position
 December 31, 2023

Exhibit D

Total Governmental Fund Balance (Exhibit C)	\$	969,726
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Amounts reported for governmental activities in the statement of net position are different because.

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		611,331
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Long-term liabilities and leases payable are not due and payable in the current period and therefore are not reported in the governmental funds

Due Within One Year		-
Compensated Absences Payable		(12,520)

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in the governmental funds.

Net Pension Liability		(646,728)
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Deferred Outflows of Resources:

Net Difference Between Projected and Actual Earnings on Pension Plan Investments		87,656
Differences Between Expected and Actual Experience		20,192
Changes in Assumptions		39,133
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions		44,895
Contributions Subsequent to the Measurement Date		45,134

Deferred Inflows of Resources:

Differences Between Expected and Actual Experience		(22,157)
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions		(208,991)

Net Position of Governmental Activities (Exhibit A)	\$	<u>927,671</u>
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The accompanying notes are an integral part of these financial statements

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Statement of Governmental Fund Revenues, Expenditures, and
Change in Fund Balance
For the Year Ended December 31, 2023

Exhibit E

	<u>General Fund</u>
Revenues:	
Ad Valorem Taxes	\$ 702,416
State Revenue Sharing	40,963
Fire Insurance Rebate	38,603
On Behalf Payments - State Supplemental Pay	29,100
Interest	2,806
Other Revenues	<u>18,287</u>
Total Revenues	832,175
Expenditures:	
Public Safety - Fire Protection:	
Salaries & Related Benefits	476,380
State Supplemental Pay	29,100
Insurance	95,296
Pension Fund Mandate	24,070
Repairs & Maintenance	32,426
Fuel & Oil	16,862
Professional Fees	21,993
Supplies	1,011
Gear & Uniforms	3,012
Utilities	21,154
Election Expense	4,658
Telephone	11,011
Office Supplies & Postage	4,773
Training	695
Dues & Subscriptions	1,224
Miscellaneous	7,054
Capital Outlay	-
Total Expenditures	<u>750,719</u>
Net Change in Fund Balance	81,456
Fund Balance - Beginning of the Year	<u>888,270</u>
Fund Balance - End of the Year	<u><u>\$ 969,726</u></u>

The accompanying notes are an integral part of these financial statements

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana

Exhibit F

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and
Change in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended December 31, 2023

Net Change in Fund Balance, Governmental Fund (Exhibit E)	\$	81,456
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay		-
Depreciation Expense		(77,783)
Fair Market Value of Donated Assets		125,000

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related pension plans is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to charges in deferred outflows of resources and deferred inflows of resources are reflected in the statement of activities:

Net Change in Pension Expense		(1,637)
Contributions from Non-Employer Contributing Entities		29,017

Compensated absences payable is recorded as an expense on the statement of activities.

Increase (Decrease) in Compensated Absences Payable		<u>-</u>
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Change in Net Position of Governmental Activities (Exhibit B)	\$	<u>156,053</u>
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The accompanying notes are an integral part of these financial statements

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2023

Narrative Profile

The 1991 Louisiana Legislature, pursuant to Louisiana Revised Statute 40:1496.12(F), created the Washington Parish Fire Protection District No. 7 (the "District"). The District shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The District shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tank, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the governing body of the District for the protection of the property within the limits of the District against fire.

The governing body of the parish shall appoint an eight-member board that shall perform all duties, functions, and powers responsible for the operation and maintenance of the District. All funds of the District shall be administered by the board. Members of the Board of Commissioners may be paid a per diem of fifty dollars for attending meetings of the board and may be reimbursed for any expenses incurred in performing the duties imposed upon them.

The District covers 155 square miles in the southeastern corner of Washington Parish, outside the city limits of Bogalusa, Louisiana. It serves approximately 7,000 people and businesses located within the boundaries of the District. The District operates out of six fire stations which are located as follows: Station number 1 is located in the Isabel community; station number 2, the Central Station, is located in the Ben's Ford community, station number 3 is located in Rio; station 4, located on Highway 10 just west of Bogalusa; station 5, located on Highway 439 at Lee Road, and station 6 is located on Highway 21. At December 31, 2023, the District employed 5 full-time fire fighters and a part-time clerk, but mainly operates with a volunteer staff of firefighters.

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

Section 2100 of the GASB Codification, Defining the Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a component unit of the Washington Parish Council. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

B. Fund Accounting

The District uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2023

Governmental Funds

Governmental funds account for all of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the District. The following is the District's governmental fund:

General Fund – the primary operating fund of the District, which accounts for all the operations of the District, except those required to be accounted for in other funds.

C. Measurement Focus - Basis of Accounting

Basic Financial Statements – Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District with most of the interfund activities removed. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

The District does not allocate indirect expenses.

Basic Financial Statements – Governmental Funds

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2023

of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related liability is incurred, except for interest and principal payments on long-term debt, which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Taxes, state revenue sharing, grants, interest revenue, and other revenues are recorded when due.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Reconciliation – Explanation of differences between the governmental funds balance sheet and the government-wide statement of net position is presented in Exhibit D of the basic financial statements. Explanation of differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

D. Budgets and Budgetary Accounting

The District adopted an operating budget for its General Fund for the fiscal year ended December 31, 2023. The budget for this fund is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A designated Board Member prepares a proposed budget and submits it to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing
4. Once a public hearing is held and all of the action necessary to finalize and implement the budget is completed, the budget is adopted through the passage of a resolution prior to the commencement of the fiscal year for which the budget is adopted.

The adopted budget constitutes the authority of the District to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2023

E. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments for the District are reported at cost. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. The LAMP annual report can be found at the official LAMP website.

F. Receivables and Payables

All trade and tax receivables are shown net of an allowance for uncollectible tax

Property Taxes

For the year 2023, taxes of 23.0 mills were levied on property within the District's boundaries. Total taxes levied were \$710,013. At December 31, 2023, the ad valorem tax receivable was \$695,813. Ad valorem taxes receivable at December 31, 2023, are recorded net of a 2.0% allowance for uncollectible taxes totaling \$14,200.

State Revenue Sharing

For the year 2023, the District received \$41,417 in Louisiana State Revenue Sharing. At December 31, 2023, state revenue sharing receivable totaled \$40,963. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing.

G. Inventories

Purchase of various operating supplies are regarded as expenditures at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide statements.

I. Capital Assets

Capital assets are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements, to the extent the District's capitalization threshold of \$500 is met. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value at the date of donation.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2023

J. Compensated Absences

The District has the following policy relating to vacation and sick leave for its employees.

1. Vacation Leave – After completing one full year of service (and thereafter upon completion of subsequent years of service) paid firefighters will earn eighteen days of paid vacation per year. Upon completing ten years of service, this annual benefit will increase by one day for each year of service over ten years, up to a maximum vacation period of thirty days. The District will pay for all earned but unused vacation at the time of termination.
- 2 Sick Leave – Permanent paid firefighters are entitled to fifty-two weeks of paid sick leave. All accumulated sick leave lapses upon termination.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. At December 31, 2023, compensated absences payable of \$12,520 was reported in the fund financial statements.

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Deferred Outflows and Inflows of Resources

The statement of net position reports a separate section for deferred outflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense / expenditure) until then.

The District has deferred outflows of resources on the statement of net position that is the result of deferrals concerning bonded debt. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price.

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2023

M. Net Position

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

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any 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.
2. Restricted – this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

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

N. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for the specific purposes due to enabling legislation, State or Federal laws, or externally imposed by grantors, creditors, or citizens.
3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority).
4. Assigned Fund Balance – amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned Fund Balance – all amounts not included in other spendable categories.

When fund balance resources are available for a specific purpose in multiple classifications, the District will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the District's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

The District reported only unassigned fund balances as of December 31, 2023.

O. New Accounting Pronouncements

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset –

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2023

and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The District adopted the provisions of GASB Statement No. 96, during 2023. The implementation of this standard had no impact on the District's financial statements as of December 31, 2023.

P. Estimates

The preparation of financial statements, in conformity with U.S. GAAP requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year-end. See Note 1-D regarding operating budgets. The District complied with the Louisiana Local Government Budget Act in adopting and amending its budget for the year ended December 31, 2023.

B. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3 regarding cash and cash equivalents, the District complied with the deposits and investments laws and regulations.

C. Deficit Fund Equity

As of December 31, 2023, the District's general fund did not have a deficit fund equity

3. Cash, Cash Equivalents, and Investments

As reflected on Exhibit A, the District has cash and cash equivalents totaling \$285,256 at December 31, 2023. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged 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.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2023

The following is a summary of cash and investments at December 31, 2023, with the related federal deposit insurance and pledge securities:

Bank Balances:	
Insured (FDIC Insurance)	\$ 285,256
Uninsured and Collateralized:	
Collateral held by pledging bank's trust department not in the District's name	-
Uninsured and Uncollateralized	-
Total Deposits	<u>\$ 285,256</u>

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of December 31, 2023, the District was in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities

4. Receivables

Receivables represent revenues earned in 2023 and received in 2024 as follows:

Property Tax Receivable, Net of Allowance for Uncollectibles	\$ 671,743
State Revenue Sharing Receivable, Net of Allowance for Uncollectibles	40,963
Total	<u>\$ 712,706</u>

Ad valorem tax revenue and receivable has been recorded net of an allowance for uncollectible amounts. The allowance for uncollected taxes for 2023 is set at two percent of total assessed taxes and is based on historical averages. The allowance for uncollected ad valorem tax is adjusted periodically based on prior year collection experience.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2023

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 23,000	\$ -	\$ -	\$ 23,000
Total Capital Assets Not Being Depreciated	23,000	-	-	23,000
Other Capital Assets:				
Fire Houses	636,871	-	-	636,871
Fire Trucks	1,842,542	125,000	-	1,967,542
Fire Equipment	269,327	-	-	269,327
Office Equipment	14,041	-	-	14,041
Other Equipment	33,701	-	-	33,701
Total Other Capital Assets	2,796,482	125,000	-	2,921,482
Less Accumulated Depreciation:	<u>(2,255,368)</u>	<u>(77,783)</u>	<u>-</u>	<u>(2,333,151)</u>
Total Other Capital Assets, Net	541,114	47,217	-	588,331
Total	<u>\$ 564,114</u>	<u>\$ 47,217</u>	<u>\$ -</u>	<u>\$ 611,331</u>

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Building Improvements	10 - 40 Years
Furniture & Fixtures	5 - 10 Years
Vehicles	5 - 15 Years
Equipment	5 - 10 Years

6. Accounts Payable

Accounts payables at December 31, 2023, are as follows:

Accounts Payable	\$ -
Payroll Liabilities	15,266
Accrued Wages Payable	12,970
Pension Fund Deduction Payable	-
Total	<u>\$ 28,236</u>

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2023

7. Pension Plan – Firefighters’ Retirement System of Louisiana

General Information about the Pension Plan

Plan Description – Employees of the District are eligible for participation in the Firefighters’ Retirement System of Louisiana (the “Fire System”) – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 434 of the 1979 Regular Session of the Louisiana Legislature. The Fire System issues a publicly available financial report that can be obtained at www.lafirefightersret.com/finance.html. The report may also be obtained by writing to the Firefighters’ Retirement System, 3100 Brentwood Drive, Baton Rouge, LA 70809, or by calling (225) 925-4060.

Benefits Provided – Any person who becomes an employee as defined in LRS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System. 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 this System, 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 this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Deferred Retirement Option Plan – After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account of an annuity based on the deferred retirement option plan account balance 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 the System. No payments may be made from the deferred retirement option plan account until the participant retires.

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.

Contributions – Per Act 434 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year. Employees are required to contribute 10% of their annual pay. The District’s contractually required contribution rate for the year ended December 31, 2023 was 33.25% for the period January 2023 through June 2023 and 33.25% for the period July 2023 through December 2023. Contributions to the Fire System from the District were \$90,268 for the year ended December 31, 2023.

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

At December 31, 2023, the District reported a liability of \$646,728 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2023

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 December 31, 2023, contributions to the pension plan, relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 0.099088%, which was a decrease of 0.006422% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the District recognized pension expense of \$1.637. At December 31, 2023, 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	\$ 20,192	22,157
Changes of Assumptions	39,133	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	87,656	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	44,895	208,991
District Contributions Subsequent to the Measurement Date	45,134	-
	<u>\$ 237,010</u>	<u>\$ 231,148</u>

The \$45,134 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	
December 31, 2024	3,693
December 31, 2025	(23,560)
December 31, 2026	37,752
December 31, 2027	(51,906)
December 31, 2028	(3,322)
Thereafter	(1,929)

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2023

Actuarial Assumptions – The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	6.90% per annum (net of fees)
Estimated Remaining Service Life	7 Years
Inflation	2.500% per annum
Salary Increases	Vary from 14.10% in the first two years of service and 5.20% with 3+ years of service
Cost of Living Adjustments	Only those previously granted.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees for active members, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees for healthy annuitants, and the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees for disabled annuitants for Males or Females, as appropriate.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2019.

The estimated long-term expected rate of return on pension plan investments was determined using a target asset allocation and the G.S. Curran & Company Consultant Average study for 2023. 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 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 the System 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. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2023.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2023

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity:		
U.S. Equity	29.50%	6.24%
Non-U.S. Equity	11.50%	6.49%
Global Equity	10.00%	6.49%
Emerging Market Equity	5.00%	8.37%
Fixed Income:		
U.S. Core Fixed Income	20.00%	1.89%
U.S. TIPS	2.00%	1.72%
Emerging Market Debt	2.00%	4.38%
Multisector Fixed Income	2.00%	***
Multi-Asset Strategies:		
Global Tactical Asset Allocation	0.00%	2.00%
Alternatives:		
Private Equity	9.00%	9.57%
Real Estate	6.00%	4.41%
Real Assets	3.00%	5.62%

Discount Rate – The discount rate used to measure the total pension liability was 6.90%. 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 System's actuary. Based on these assumptions, the System'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 District'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 calculated using the discount rate of 6.90%, 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 (5.90%) or one percentage-point higher (7.90%) than the current rate:

	1.0% Decrease (5.90%)	Current Discount Rate (6.90%)	1.0% Increase (7.90%)
District's Proportionate Share of the Net Pension Liability	\$ 997,707	\$ 646,728	\$ 353,996

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2023

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued Fire System financial report.

Payables to the Pension Plan – As of December 31, 2023, the District had payables totaling \$9,293 due to the System, which represents the employee and employer’s share of the December 2023 contributions.

8. Tax Abatement

The Washington Parish Assessor’s office has notified the District that for the year ended December 31, 2023, there were no tax abatements for any taxpayers located within the boundaries of the District.

9. Compensated Absences

At December 31, 2023, employees of the District have accumulated and vested \$12,520 of employee vacation benefits, which were computed in accordance with GASB Codification Section C60. This amount is recorded as a liability in the government-wide statement of net assets.

10. On-Behalf Payments

Supplementary salary payments are made by the State of Louisiana directly to certain District employees. The District is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is actual contributions made by the State. For the fiscal year ended December 31, 2023, the State paid supplemental salaries to the District’s employees in the amount of \$29,100.

11. Compensation Paid to Board Members

The following schedule of per diem payments to Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The following is a breakdown of per diem paid to Board members:

Perry Talley, President	\$	-
Ronald Pittman, Vice President		-
Timothy Slocum, Secretary / Treasurer		-
Jason "Bear" Pierce, Board Member		-
Malcolm "Mac" Little, Board Member		-
Ruth K. Corkern, Board Member		-
Robert Kimbrell, Board Member		-
Raymond Myers, Board Member		-
Total	\$	-

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2023

12. Contingent Liabilities

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage. Therefore, no accrual for any loss contingency has been made in the financial statements

13. Subsequent Events

Management has evaluated the subsequent events through the date that the financial statements were available to be issued, June 6, 2024. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements

Required Supplemental Information

Washington Parish Fire Protection District No. 7

Schedule 1

Bogalusa, Louisiana

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Ad Valorem Taxes	\$ 675,000	\$ 667,335	\$ 702,416	\$ 35,081
Fire Insurance Rebate	45,000	38,603	38,603	-
State Revenue Sharing	42,000	41,415	40,963	(452)
On Behalf Payments	-	-	29,100	29,100
Interest	150	2,800	2,806	6
Other Revenues	28,800	46,631	18,287	(28,344)
Total Revenues	<u>790,950</u>	<u>796,784</u>	<u>832,175</u>	<u>35,391</u>
Expenditures:				
Public Safety - Fire Protection:				
Salaries & Related Benefits	444,500	464,500	476,380	(11,880)
Insurance	95,900	95,700	95,296	404
Pension Fund Mandate	23,000	23,500	24,070	(570)
Repairs & Maintenance	22,215	36,715	32,426	4,289
Fuel & Oil	13,000	17,500	16,862	638
Professional Fees	17,000	22,200	21,993	207
Supplies	1,300	1,300	1,011	289
Gear & Uniforms	4,085	4,085	3,012	1,073
Utilities	22,000	23,300	21,154	2,146
Election Expense	4,660	4,660	4,658	2
Telephone	12,500	10,500	11,011	(511)
Office Supplies & Postage	4,500	4,500	4,773	(273)
Training	1,000	1,000	695	305
Dues & Subscriptions	1,500	1,500	1,224	276
Miscellaneous	5,000	36,300	7,054	29,246
Total Expenditures	<u>672,160</u>	<u>747,260</u>	<u>721,619</u>	<u>25,641</u>
Excess (Deficiency) of Revenues over Expenditures	118,790	49,524	110,556	(61,032)
Fund Balance:				
Beginning of the Year	<u>848,457</u>	<u>936,209</u>	<u>888,270</u>	<u>(47,939)</u>
End of the Year	<u>\$ 967,247</u>	<u>\$ 985,733</u>	<u>\$ 998,826</u>	<u>\$ (108,971)</u>

See independent auditor's report

Washington Parish Fire Protection District No. 7

Schedule 2

Bogalusa, Louisiana

Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended December 31, 2023

<u>Fiscal Year</u>	<u>District's Proportion of the Net Pension Liability</u>	<u>District's Proportionate Share of the Net Pension Liability</u>	<u>District's Covered Employee Payroll</u>	<u>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2023	0.099088%	\$ 646,728	\$ 275,498	234.75%	77.69%
2022	0.105510%	\$ 743,982	\$ 262,328	283.61%	74.68%
2021	0.104867%	\$ 371,633	\$ 252,393	147.24%	86.78%
2020	0.158052%	\$ 1,095,545	\$ 347,809	314.98%	72.61%
2019	0.150981%	\$ 945,429	\$ 575,597	164.25%	73.96%
2018	0.142923%	\$ 822,104	\$ 362,095	227.04%	74.76%
2017	0.126220%	\$ 723,474	\$ 344,322	234.83%	68.16%
2016	0.136740%	\$ 894,403	\$ 308,079	290.32%	38.16%
2015	0.105600%	\$ 569,843	\$ 224,384	253.96%	72.45%

* The amounts presented for each fiscal year were determined as of June 30 of that year

See independent auditor's report

Washington Parish Fire Protection District No. 7

Schedule 3

Bogalusa, Louisiana

Schedule of the District's Contributions

For the Year Ended December 31, 2023

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency / (Excess)	District's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	\$ 90,628	\$ 90,628	\$ -	\$ 275,498	32.90%
2022	\$ 88,667	\$ 88,667	\$ -	\$ 262,328	33.80%
2021	\$ 83,423	\$ 83,423	\$ -	\$ 252,393	33.05%
2020	\$ 103,908	\$ 103,908	\$ -	\$ 347,809	29.88%
2019	\$ 106,674	\$ 106,674	\$ -	\$ 575,597	18.53%
2018	\$ 95,995	\$ 95,995	\$ -	\$ 362,095	26.51%
2017	\$ 78,487	\$ 78,487	\$ -	\$ 344,322	22.79%
2016	\$ 83,952	\$ 83,952	\$ -	\$ 308,079	27.25%
2015	\$ 75,959	\$ 75,959	\$ -	\$ 308,079	24.66%

* The amounts presented for each fiscal year were determined as of June 30 of that year

See independent auditor's report

Other Supplemental Information

Washington Parish Fire Protection District No. 7

Schedule 4

Bogalusa, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2023

Agency Head: Timothy Scott Adams, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 82,460
Benefits - Insurance	6,097
Benefits - Retirement	27,153
Deferred Compensation	-
Benefits - Other - Supplemental Pay	7,200
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 122,910</u>

See independent auditor's report

**Other Independent Auditor's Report and
Findings, Recommendations, and Responses**

Dennis E. James, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA

Lyle E. Lambert, CPA
Lauren Kimble Smith, CPA



**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
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Member of
American Institute of CPAs
Society of Louisiana CPAs

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*

To the Members of the Board of Commissioners of
Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of Washington Parish Fire Protection District No. 7 (the "District"), a component unit of Washington Parish Government, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 6, 2024.

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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we considered to be material weaknesses and significant deficiencies.

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. We considered the deficiency described in the accompanying schedule of audit findings, recommendations, and responses as item 2023-01 to be a material weaknesses.

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. We consider the deficiency described in the accompanying schedule of audit findings, recommendations, and responses as item 2023-02 to be a significant deficiency.

Report on Compliance and Other Matters

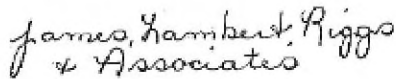
As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Washington Parish Fire District No. 7’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District’s response to the findings identified in our audit and described in the accompanying schedule of audit findings, recommendations, and responses. The District’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 6, 2024

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
 Schedule of Audit Findings, Recommendations, and Responses
 For the Year Ended December 31, 2023

We have audited, 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, the financial statements of the governmental activities and the general fund of the Washington Parish Fire Protection District No. 7 as of and for the year ended December 31, 2023, and the related notes to the financial statements with collectively comprise Washington Parish Fire Protection District No. 7's basis financial statements, and have issued our report thereon dated June 6, 2024. Our audit of the basic financial statements as of December 31, 2023, resulted in an unmodified opinion.

Section I – Summary of Auditor’s Reports

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

Internal Control:

Material Weakness	<u>X</u>	Yes	___	No
Significant Deficiencies	<u>X</u>	Yes	___	No

Compliance:

Compliance Material to the Financial Statements	___	Yes	<u>X</u>	No
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2. Management Letter

Was a management letter issued?	___	Yes	<u>X</u>	No
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Section II – Financial Statement Findings

Internal Control over Financial Reporting

2023-01 – Financial Statement Preparation

Condition:

As is common in small organizations, management has chosen to engage the audit firm to propose certain year-end adjusting journal entries and to prepare the annual financial statements. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, have not been fully implemented. Under generally accepted auditing standards (GAAS), this condition represents a material weakness in internal controls. GAAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

This condition was also noted in the prior fiscal year.

Criteria:

Internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, are necessary in order for management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements of the financial statements on a timely basis.

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Schedule of Audit Findings, Recommendations, and Responses
For the Year Ended December 31, 2023

Cause:

This condition is intentional by management based on the District's lack of financial complexity, along with the cost prohibitive nature of acquiring the ability to prepare financial statements.

Potential Effect of Condition:

Management and employees are unable to prevent or detect and correct misstatements on a timely basis in the normal course of performing their assigned functions.

Recommendation:

We recommend no action be taken.

Management's Response:

See management's response dated June 6, 2024.

2023-02 – Update of District Written Policies and Procedures for Fiscal Controls

Condition:

During our audit and review of the District's written policies and procedures for fiscal controls, we noted that the District lacked adequate written policies and procedures over (1) Purchasing, (2) Payroll and Personnel, (3) Ethics, (4) Debt Service, (5) Information Technology Disaster Recovery / Business Continuity, and (6) Prevention of Sexual Harassment.

This condition was also noted in the prior fiscal year.

Criteria:

Written policies and procedures that require employees to follow specific procedures designed to provide strong effective fiscal controls should be developed in order for management and employees to prevent or detect error or irregularities in a timely manner and to adopt policies recommended by the Louisiana Legislative Auditor's Checklist of Best Practices in Government to be reviewed and tested on an annual bases by the Louisiana Legislative Auditor's State-Wide Agreed Upon Procedures.

Cause:

The cause of this condition appears to be that some of the written policies and procedures were developed several years ago, and have not been updated since that time.

Potential Effect of Condition:

The failure to adopt strong, effective written policies and procedures for fiscal controls and require employees to adhere to these written policies and procedures creates an environment in which errors or irregularities could occur and not be detected timely. Additional, this could result in the District being in noncompliance with laws and regulations.

Recommendation:

We recommend the District update its current policies and procedures to incorporate all of the policies and procedures recommend by the Louisiana Legislative Auditor's Checklist of Best Practices in Government.

Management's Response:

See management's response dated June 6, 2024.

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Schedule of Audit Findings, Recommendations, and Responses
For the Year Ended December 31, 2023

Compliance and Other Matters

None

Management Letter

None

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2022

Ref.#	Fiscal Year Findings Initially Occurred	Description of Findings	Corrective Action Taken
<u>Internal Control over Financial Reporting</u>			
2022-001	2017	Financial Statement Preparation	None
2022-002	2022	Update of District Written Policies and Procedures for Fiscal Controls	None
<u>Compliance and Other Matters</u>			
2022-003	2022	Compliance with the Local Government Budget Act	Yes
2022-004	2022	Failure to File and Pay Payroll Taxes and Retirement Contributions when Due	Yes
2022-005	2022	Louisiana Legislative Auditor Investigative Audit Dated July 27, 2022	Yes

Management Letter

None

Note: This schedule has been prepared by management of Washington Parish Fire Protection District No. 7.



**WASHINGTON PARISH
FIRE PROTECTION DISTRICT 7
17380 Bill Booty Road
Bogalusa, LA 70427**

PHONE: 985/732-5201 FAX: 985/732-5830

June 6, 2024

James Lambert Riggs & Associates, Inc.
Post Office Drawer 369
Hammond, Louisiana 70404

In your audit report for the year ended December 31, 2023, you reported the following findings.

2023 -001 - Financial Statement Preparation

2023 -002 - Update of District Written Policies and Procedures for Fiscal Controls

We have considered your recommendations for each finding and submit to you the following actions planned by the Fire District.

2023-001 - Financial Statement Preparation - The Fire District has limited financial resources and feel it is in the best interest of the Fire District to have the independent auditor prepare the proposed adjusting journal entries and the financial statements including footnote disclosures for our review and approval.

2023 - 002 - Update of District Written Policies and Procedures for Fiscal Controls - The Fire District will work to update its policies and procedures to incorporate all of the policies and procedures recommend by the Louisiana Legislative Auditor's Checklist of Best Practices in Government.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Timothy Adams", written over a horizontal line.

Timothy "Scott" Adams, Fire Chief
Washington Parish Fire Protection District No. 7

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7
BOGALUSA, LOUISIANA**

STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED DECEMBER 31, 2023

Dennis E. James, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA

Lyle E. Lambert, CPA
Lauren Kimble Smith, CPA



**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
CERTIFIED PUBLIC ACCOUNTANTS
www.jlrcpafirm.com



Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures

Timothy 'Scott' Adams, Fire Chief
and the Members of the Board of Commissioners
Bogalusa, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

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, 2023 through December 31, 2023. Washington Parish Fire Protection District No. 7's (the "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, 2023 through December 31, 2023. 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 of 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 detailed in Schedule "A."

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.

A handwritten signature in cursive script that reads 'James Lambert Riggs & Associates'.

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 6, 2024

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations.
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. ***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.
 - **Results:** The District does have a policy on Purchasing; however, the policy language needs to be expanded to include item (2) how vendors are added to the vendor list.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. ***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).
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - v. ***Payroll / Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - **Results:** The District does not have a written policy on Payroll / Personnel that includes (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

viii. **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).

- **Results:** No exceptions were noted as a result of the above listed procedures.

ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 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.

- **Results:** The District does have a policy on Ethics; however, the policy language needs to be expanded to include items (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

x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- **Results:** The District does have a policy on Debt Service; however, the policy language needs to be expanded to include items (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

xi. **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.

- **Results:** The District does not have a written policy on Information Technology Disaster Recovery / Business Continuity.

xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

- **Results:** The District does have a policy on Prevention of Sexual Harassment; however, the policy language needs to be expanded to include R.S. 42:342-344 requirements for items (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee

- A. Obtain and inspect the board / finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and.
- i. Observe 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. For those entities reporting on the governmental accounting model, observe whether 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. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. Observe whether the board / finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
 - **Results:** The District did not provide the board / finance committee with written updates on the progress of resolving the prior year audit findings

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged):
 - **Results:** No exceptions were noted as a result of the above listed procedures.

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

- **Results:** No exceptions were noted as a result of the above listed procedures.

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

- **Results:** No exceptions were noted as a result of the above listed procedures.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash - checks - money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

i. Employees responsible for cash collections do not share cash drawers / registers.

- **Results:** No exceptions were noted as a result of the above listed procedures.

ii. 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.

- **Results:** One employee that is responsible for collecting cash is also preparing / making the bank deposits as well

iii. Each employee responsible for collecting cash is not also 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

iv. 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

- **Results:** No exceptions were noted as a result of the above listed procedures.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for "Bank Reconciliations" procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

i. Observe that receipts are sequentially pre-numbered.

- **Results:** No exceptions were noted as a result of the above listed procedures.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- **Results:** No exceptions were noted as a result of the above listed procedures.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

- **Results:** No exceptions were noted as a result of the above listed procedures.

iv. Observe 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).

- **Results:** For the two randomly selected deposits, there was no documentation / evidence to indicate whether or not the deposits were being made within one business day of receipt

v. Trace the actual deposit per the bank statement to the general ledger.

- **Results:** No exceptions were noted as a result of the above listed procedures.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

B. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.

- **Results:** No exceptions were noted as a result of the above listed procedures.

ii. At least two employees are involved in processing and approving payments to vendors.

- **Results:** No exceptions were noted as a result of the above listed procedures.

iii. 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

iv. 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.

- **Results:** One employee responsible for processing payments is also responsible for mailing the processed payments.

v. Only employees / officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

- **Results:** No exceptions were noted as a result of the above listed procedures.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

- **Results:** No exceptions were noted as a result of the above listed procedures.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial date, electronic logging) of segregation of duties tested under #9, as applicable.

- **Results:** No exceptions were noted as a result of the above listed procedures.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and / or account for testing that does include electronic disbursements.

- **Results:** No exceptions were noted as a result of the above listed procedures.

6) Credit Cards / Debit Cards / Fuel Cards / P-Cards

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

- i. Observe whether 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported).

- **Results:** No exceptions were noted as a result of the above listed procedures.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

- **Results:** It was observed there was a late fee assessed on one of the selected credit card statements.

C. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies 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, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

- **Results:** No exceptions were noted as a result of the above listed procedures.

7) *Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

A. Obtain 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. Randomly select 5 reimbursements and obtain the related expense reimbursement forms / prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

- **Results:** No exceptions were noted as a result of the above listed procedures.

ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- **Results:** No exceptions were noted as a result of the above listed procedures.

iii. Observe each reimbursement is supported by documentation of the business - public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1h.

- **Results:** No exceptions were noted as a result of the above listed procedures.

iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

- **Results:** No exceptions were noted as a result of the above listed procedures.

8) Contracts

- A. Obtain 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. Observe whether the contract was approved by the governing body / board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. If the contract was amended (e.g., change order), observe 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, the documented approval).
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries / pay rates in the personnel files.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #16 above, obtain attendance records and leave documentation for the pay period, and:
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - **Results:** No exceptions were noted as a result of the above listed procedures.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. Observe the rate paid to the employees or officials agree to the authorized salary . pay rate found within the personnel file.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations, and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- **Results:** No exceptions were noted as a result of the above listed procedures.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.
- **Results:** No exceptions were noted as a result of the above listed procedures.

10) Ethics

- A. Using the 5 randomly selected employees : officials from "Payroll and Personnel" procedure #9A obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates that each employee official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. Observe whether 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

B. Inquire and or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

- **Results:** No exceptions were noted as a result of the above listed procedures.

11) Debt Service

A. Obtain a listing of bonds / notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

- **Results:** The District had no new debt issued during the period January 1, 2023 through December 31, 2023.

B. Obtain a listing of bonds / notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond / note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree 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).

- **Results:** The District had no new debt issued during the period January 1, 2023 through December 31, 2023.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

- **Results:** No exceptions were noted as a result of the above listed procedures.

B. Observe 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

13) Information Technology Disaster Recovery / Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

- **Results:** We performed the procedure and discussed the results with management.

ii. Obtain and inspect the entity's most recent documentation that it has tested / verified that its backups can be restored (if no written documentation, then inquire of personnel responsible for testing / verifying backup restoration) and observe evidence that the test / verification was successfully performed within the past 3 months.

- **Results:** We performed the procedure and discussed the results with management.

iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe 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.

- **Results:** We performed the procedure and discussed the results with management.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

- **Results:** We performed the procedure and discussed the results with management.

C. Using the 5 randomly selected employees / officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees / officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 – completed the training; and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

- **Results:** We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees / officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee / official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

- **Results:** No exceptions were noted as a result of the above listed procedures.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

- **Results:** No exceptions were noted as a result of the above listed procedures.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements:
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. Number of sexual harassment complaints received by the agency:
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred:
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action: and
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - v. Amount of time it took to resolve each complaint.
 - **Results:** No exceptions were noted as a result of the above listed procedures.



**WASHINGTON PARISH
FIRE PROTECTION DISTRICT 7
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June 6, 2024

James Lambert Riggs & Associates, Inc.
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Hammond, Louisiana 70404

Management of Washington Parish Fire Protection District No.7 would like to present the following response for the results of the December 31, 2023, Statewide Agreed Upon Procedures.

Management of Washington Parish Fire Protection District No.7 has reviewed the results of the Statewide Agreed Upon Procedures for the period of January 1, 2023 through December 31, 2023 and concurs with the results from the report. Management will continue to work with staff, the Board of Commissioners, and the outside accounting firm to resolve the results of the report.

Respectfully submitted,

Timothy "Scott" Adams, Fire Chief
Washington Parish Fire Protection District No. 7