

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

FINANCIAL REPORT
DECEMBER 31, 2022

SHANNA JONES, CPA
WINNFIELD, LOUISIANA

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
FINANCIAL REPORT
DECEMBER 31, 2022

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet—Governmental Fund	10
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balance—Governmental Fund	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	13
NOTES TO FINANCIAL STATEMENTS	15
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule—General Fund	32
Schedule of District’s Proportionate Share of the Net Pension Liability	34
Schedule of Pension Contributions	35
SUPPLEMENTARY INFORMATION:	
Schedule of Compensation for Agency Head	37
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in accordance with <i>Governmental Auditing Standards</i>	38
Schedule of Findings	40
STATEWIDE AGREED-UPON PROCEDURES:	
Independent Accountant’s Report on Applying Agreed-Upon Procedures	42
Louisiana Agreed-upon Procedures Representation Form	54

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and major fund of Winn Parish Fire Protection District No. 3, a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Winn Parish Fire Protection District No. 3's (the "District"), basic financial statements as listed in the Table of Contents.

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

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Winn Parish Fire Protection District No. 3'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 Financial Statements

My 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 my 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*, I:

- 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 my 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.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, schedules of proportionate share of net pension liability and contributions be presented to supplement the basic financial statements. The Winn Parish Fire Protection District No. 3 has not presented the Management's Discussion and Analysis but has included the Budgetary Comparison Schedule on page 32, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 34, and the Schedule of the District's Contributions on page 35. Such 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. My opinion on the basic financial statements is not affected by the missing information. I have applied certain limited procedures to the presented 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer ("the Schedule of Compensation for Agency Head") presented on page 37 and listed in the Table of Contents as Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements but is required by Act 462 of 2015 which amends Act 706 of the Louisiana 2014 Legislative Session. This schedule 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 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 my opinion, the Schedule of Compensation, Reimbursements, Benefits and Other Payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information includes the SAUPs. As allowed by Louisiana R.S. 24:513, the Louisiana Legislative Auditor has required governmental entities with public funds of \$500,000 or more to have certain agreed-upon procedures performed as included in the *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures* (SAUPs). The District's management is responsible for those control and compliance (C/C) areas identified in the SAUPs, see pages 42-53. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report presented on pages 54-56. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. My opinion on the basic financial statements does not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other

information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated May 4, 2023, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my 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 Winn Parish Fire Protection District No. 3'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.

Shanna Jones

Shanna Jones, CPA
Winnfield, Louisiana
May 4, 2023

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	<u>Governmental Activities</u>
Assets:	
Current Assets:	
Cash & Cash Equivalents	\$ 440,306
Investments	339,858
Prepaid Expenses	20,387
Ad Valorem Tax Receivable	<u>734,232</u>
Total Current Assets	1,534,783
Non-Current Assets:	
Capital Assets	
Depreciable (Net)	1,632,885
Right of Use Asset (Net)	10,936
Non-Depreciable	<u>58,665</u>
Total Non-Current Assets	1,702,486
Total Assets	3,237,269
Deferred Outflows:	
Pension Related	<u>169,496</u>
Total Assets & Deferred Outflows	3,406,765
Liabilities:	
Current Liabilities:	
Accounts Payable	38,537
Payroll Related Liabilities	<u>17,905</u>
Total Current Liabilities	56,442
Long-Term Liabilities:	
Compensated Absences	8,129
Right of Use Liabilities	11,806
Net Pension Liability	<u>286,938</u>
Total Long-Term Liabilities	306,873
Total Liabilities	363,315
Deferred Inflows:	
Pension Related	73,464
Net Position:	
Net Invested in Capital Assets	1,690,680
Unrestricted	<u>1,279,306</u>
Total Net Position	<u>\$ 2,969,986</u>

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense)</u> <u>Revenue & Changes</u> <u>in Net Position</u> <u>Government Activities</u>
		<u>Fines, Fees</u> <u>& Charges</u> <u>for Services</u>	<u>Operating</u> <u>Grants &</u> <u>Contributions</u>	
Governmental Activities:				
Public Safety	\$ 966,380	\$ 6,613	\$ 64,623	\$ (895,144)
General Revenues:				
				779,413
				11,584
				18,136
				5,000
				<u>458</u>
				814,591
				(80,553)
				<u>3,050,539</u>
				<u>\$ 2,969,986</u>

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

FUND FINANCIAL STATEMENTS

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
BALANCE SHEET—GOVERNMENTAL FUND
DECEMBER 31, 2022

	<u>Major Fund: General</u>
Assets:	
Current Assets:	
Cash & Cash Equivalents	\$ 440,306
Investments	339,858
Prepaid Expenses	20,387
Ad Valorem Receivable	<u>734,232</u>
Total Assets	<u><u>1,534,783</u></u>
Liabilities:	
Current Liabilities:	
Accounts Payable	38,537
Payroll Related Liabilities	<u>17,905</u>
Total Liabilities	<u>56,442</u>
Fund Balance:	
Nonspendable	20,387
Committed	76,977
Unassigned	<u>1,380,977</u>
Total Fund Balance	<u>1,478,341</u>
Total Liabilities & Fund Balance	<u><u>\$ 1,534,783</u></u>

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Total Fund Balance for the Governmental Fund at December 31, 2022		\$ 1,478,341
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:		
Deferred Outflows—Pension Related		169,496
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:		
Non-Depreciable		58,665
Depreciable	4,898,697	
Less: Accumulated Depreciation	(3,265,812)	1,632,885
Right of Use Assets	15,062	
Less: Accumulated Amortization	(4,126)	10,936
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet:		
Compensated Absences		(8,129)
Right of Use Liability		(11,806)
Net Pension Liability		(286,938)
Deferred Inflows—Pension Related		<u>(73,464)</u>
Total Net Position of Governmental Activities at December 31, 2022		<u>\$ 2,969,986</u>

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE—GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Major Fund: General</u>
Revenues:	
Taxes	\$ 779,413
Intergovernmental:	
Fire Insurance Rebate	64,623
Charges for Services	6,613
Miscellaneous:	
Interest Earned & LWCC Dividend	18,136
Other	<u>458</u>
Total Revenues	<u>869,243</u>
Expenditures:	
Current:	
Public Safety	736,605
Capital Outlay	96,621
Debt Service:	
ROU Principal	3,256
ROU Interest	<u>2,628</u>
Total Expenditures	839,110
Excess of Expenditures over Revenues	30,133
Other Financing Sources/(Uses):	
Right of Use Lease Asset	15,062
Sale of Assets	<u>5,000</u>
Total Other Financing Sources	20,062
Excess of Expenditures & Other Financing Sources over Revenues & Other Financing Uses	50,195
Fund Balance—Beginning of Year	<u>1,428,146</u>
Fund Balance—End of Year	<u><u>\$ 1,478,341</u></u>

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net Change in Fund Balance—Governmental Fund	\$	50,195
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of Capital Assets recorded in the current period is</p>		
		96,621
<p>Depreciation and amortization expense on Capital Assets are reported in the Government-wide Financial Statements, but do not require the use of current financial resources and are not reported in the Fund Financial Statements.</p>		
Current year depreciation expense is	(197,284)
Current year amortization expense is	(4,126)
Principal payment on Right of Use Lease Liability		3,256
Change in Compensated Absences	(8,129)
Non-employer Contributions to Cost-sharing Pension Plan		11,584
Pension Expense (Benefit)	<u>(</u>	<u>32,670)</u>
Net Change in Net Position per Statement of Activities	<u>\$ (</u>	<u>80,553)</u>

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

NOTES TO FINANCIAL STATEMENTS

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1—INTRODUCTION

Winn Parish Fire Protection District No. 3 was created December 15, 1997, by a resolution of the Winn Parish Police Jury. The Winn Parish Fire Protection District No. 3 (the District) began operations on November 4, 1998 with the issue of \$2,250,000 in general obligation bonds. The District provides fire protection to all of Winn Parish outside of the city limits of the City of Winnfield and such area is comprised of a population of some 13,750 per latest population estimates. The District operates through a Board of Commissioners and is governed by various State of Louisiana Revised Statutes, including but not limited to LSA-RS 40:1491 to 40:1509.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Governmental Accounting Standard Board (GASB) Statement No. 61 amended No 14's established criteria for determining which component units should be considered part of the Winn Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury provided construction of fire protection facilities and related equipment for those facilities for the Winn Parish Fire Protection District No.3, the District was determined to be fiscally dependent on the police jury and accordingly is considered to be a component unit of the Winn Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Basis of Presentation

Government-Wide Financial Statements (GWFS):

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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

Fund Accounting:

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

The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The major fund of the District is described below:

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Governmental Fund:

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

Measurement Focus and Basis of Accounting

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

Accrual Basis—Government-Wide Financial Statements (GWFS)

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

Modified Accrual Basis—Fund Financial Statements (FFS)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected 60 days after year end. Grant revenues are recorded when the District is entitled to the funds. In addition, the District records ad valorem revenue in the year in which the ad valorem taxes are assessed. Ad valorem taxes are assessed on January 1, levied on June 30, and become delinquent on December 31, of each year. Property taxes paid under protest are recognized in periods the tax protest is resolved. All other revenue is recognized in the year in which it is earned and available for use. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Assets Liabilities and Equity

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Investments—State statutes allow the Winn Parish Fire Protection District No. 3 to invest in United States bonds, treasury notes and bills, or certificates of time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost, which approximate market.

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

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

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

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

Office Equipment and Furniture	5 years
Firefighting Equipment	10 years
Fire Trucks	15 years
Other Vehicles	5 years
Buildings	40 years
Right of Use Asset: Noncancellable Leases	Over Term of Lease

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

Net Invested in Capital Assets—Capital assets including restricted capital assets, when applicable, net of accumulated depreciation and any related debt.

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

When applicable, the government considers restricted resources spent first when expenditures incur for purposes which both restricted and unrestricted net position funds are available.

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

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The government considers committed resources spent first when expenditures incur for purposes which both committed and unassigned fund balances are available.

During fiscal year ended December 31, 2014 the board committed \$1,300,000 to the future purchases of fire apparatus. Some of this money was used for purchasing fire apparatus and as of December 31, 2022 the remaining committed fund balance was \$76,977. The General Fund, the District's only major governmental fund, has a nonspendable fund balance of \$20,387 which represents prepaid expenses. The remaining fund balance of \$1,380,977 is classified as unassigned.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Pension Plan—The Winn Parish Fire Protection District No. 3 is a participating employer in a cost-sharing, multiple employer defined benefit pension plan as described in Note 8. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan. A separate audited report on the plan is available on the Louisiana Legislative Auditor’s website.

New Standards Adopted—As required the Winn Parish Fire Protection District No. 3 adopted during fiscal year ended December 31, 2022, GASB Statement No. 87 “Leases”. See Notes 5 and 12.

Budget—The proposed budget for the General Fund for the fiscal year ended December 31, 2022 was made available for public inspection and adopted in December 2021. The original budget was amended subsequent to 2022. Such budgets are prepared on the modified accrual basis of accounting.

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

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

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

NOTE 3—CASH AND INVESTMENTS

Cash and investments are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Custodial risk for deposits is the risk that in the event of failure of a depository financial institution, the District's deposits may not be recovered; they may not be able to recover the collateral securities that are in the possession of an outside party. As of December 31, 2022, the carrying amount of the District's cash and cash equivalents (collected bank balances) totaled \$445,684 and investments held by the District consist of \$329,892 in certificates of deposit within a local financial institution. These deposits of the District were secured from risk by federal deposit insurance of \$250,000 and the remainder by pledged securities in the name of the District with a market value of approximately \$1,012,007 which is greater than the remaining amounts. The District does not have a policy for custodial credit risk.

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

Also included in investments as of December 31, 2022 were monies held by the District of \$9,966 in the Louisiana Asset Management Pool (LAMP), the local government investment pool. The investment in LAMP by the District is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is calculated: (NUMBER- days) (from LAMP's monthly Portfolio Holdings) as of (DATE – month-end).

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

NOTE 4—AD VALOREM TAX RECEIVABLE

At December 31, 2022, ad valorem receivable totaled \$734,232 and was a result of ad valorem taxes assessed and levied but not remitted by year end. These receivables are considered to be fully collectible and therefore no allowance for doubtful accounts is used.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5—CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2022 are as follows:

Governmental <u>Activities</u>	Balance <u>01/01/22</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/22</u>
Capital Assets—Not Depreciable:				
Land	\$ 58,665	\$ -	\$ -	\$ 58,665
Capital Assets—Depreciable:				
Buildings & Improvements	456,767	-	-	456,767
Fire Equipment	4,411,100	92,344	(130,000)	4,373,444
Office Equipment & Furniture	<u>64,209</u>	<u>4,277</u>	<u>-</u>	<u>68,486</u>
Subtotal of Depreciable Assets	<u>4,932,076</u>	<u>96,621</u>	<u>(130,000)</u>	<u>4,898,697</u>
Right of Use Assets				
Fire Equipment	-	11,556	-	11,556
Office Equipment	<u>-</u>	<u>3,506</u>	<u>-</u>	<u>3,506</u>
Subtotal of ROUA	<u>-</u>	<u>15,062</u>	<u>-</u>	<u>15,062</u>
Total Assets	<u>4,990,741</u>	<u>111,683</u>	<u>(130,000)</u>	<u>4,972,424</u>
Less Accumulated Depreciation:				
Buildings & Improvements	271,317	14,472	-	285,789
Fire Equipment	2,869,358	180,529	(130,000)	2,919,887
Office Equipment & Furniture	<u>57,853</u>	<u>2,283</u>	<u>-</u>	<u>60,136</u>
Total Accum. Depreciation	<u>3,198,528</u>	<u>197,284</u>	<u>(130,000)</u>	<u>3,265,812</u>
Less Amortization:				
ROUA Fire Equipment	-	2,889	-	2,889
ROUA Office Equipment	<u>-</u>	<u>1,237</u>	<u>-</u>	<u>1,237</u>
Total Accum. Amortization	<u>-</u>	<u>4,126</u>	<u>-</u>	<u>4,126</u>
Net Capital Assets	<u>\$1,792,213</u>			<u>\$1,702,486</u>

Depreciation expense for the year ended December 31, 2022 of \$197,284 and amortization expense of \$4,126 are charged to the public safety function.

NOTE 6—COMPENSATED ABSENCES

As of December 31, 2022 the District had accrued leave of \$8,129 which is required to be recorded as compensated absences.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7—AD VALOREM TAXES

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

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

Property Tax Calendar

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

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

Assessed values are established by the Winn Parish Assessor each year on a uniform basis at the following ratios to fair market value:

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

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2022. Total assessed value for the District was \$81,431,055 in 2022. Louisiana state law exempts the first 7,500 of assessed value of a taxpayer’s primary residence from parish property taxes. This homestead exemption for the District was a total of \$13,867,479 of the assessed value in 2022. For the year ended December 31, 2022, taxes of 11.96 mills were authorized and levied on the properties and were dedicated to fire protection.

NOTE 8—EMPLOYEE RETIREMENT SYSTEM

Plan Description – Beginning in the fiscal year ended December 31, 2012, all qualifying employees of the Winn Parish Fire Protection District No. 3 participate in the Louisiana Firefighters’ Retirement System (“System”), a multiple-employer (cost-sharing),

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

governmental defined benefit pension plan, controlled and administered by a separate board of trustees.

All full-time firefighter employees of a Louisiana municipal, parish or fire protection districts and earn more than \$375 per month are required to participate in the System, with few exceptions noted in the state statute. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 20 years of credited service or 25 years of service at any age are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% percent of their final-average compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100 percent.

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

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

Funding Policy - Plan members are required by state statute to contribute 10.0 percent of their annual covered salary, for wages above poverty and the Winn Parish Fire Protection District No. 3 is required to contribute at an actuarially determined rate. The rate as of 7/1/22 was 33.25 percent and as of 6/30/21 it was 33.75 percent of annual covered payroll above poverty. The contribution requirements of plan members and the Fire District are established and may be amended by state statute. The District's combined required contributions to the System for the years ending December 31, 2022 and 2021 were \$45,751 and \$46,462 respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2022, the District reported a liability of \$286,938 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was .0407%, which was a decrease of 0.0004% from its proportion measured as of June 30, 2021. For the year ended December 31, 2022, the District recognized pension expense (benefit) of \$(32,670) representing its proportionate share of the System's net expense, including amortization of deferred amounts.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Flows of Resources	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience	\$ 1,715	\$ 13,525
Changes of assumptions	23,660	-
Net difference between projected and actual earnings on pension plan investments	64,999	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	60,888	59,939
Employer contributions subsequent to the measurement date	<u>18,234</u>	<u>-</u>
Totals	\$ 169,496	\$ 73,464

The District reported a total of \$18,234 as deferred outflow of resources related to pension contributions made subsequent to the plan's measurement period of June 30, 2022 which will be recognized as a reduction in net pension liability in the District's fiscal year ended December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources, including remaining plan's amortization, related to pensions will be recognized in pension expense as follows:

Year	Amount
2023	\$ 40,720
2024	18,791
2025	3,857
2026	23,715
2027 and after	<u>(9,285)</u>
Total	<u>\$ 77,798</u>

Actuarial Methods and Assumptions—A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022 are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.90% per annum-2022, 2021
	7.00% per annum-2020
	7.15% per annum-2019
	7.3% per annum-2018

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

	7.4% per annum-2017
	7.5% per annum-2016
Inflation Rate	2.500% per annum (2022, 2021, 2020, 2019)
	2.700% per annum-2018
	2.775% per annum-2017
	2.875% per annum-2016
Projected Salary Increases	14.10% in the first two years of service & 5.20% with 3 or more years of service (2022-2020)
	(14.75% in the first two years of service & 4.50% after 25 years-2019)
Cost of Living Adjustments	Only those previously granted
Expected Remaining Service Lives	7 years, closed period

Mortality Rate—The mortality rate assumptions remained as updated in fiscal year 2020 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables, as compared to the RP-2000 Combined Healthy and Disabled Lives tables that were used for the previous valuation. For the June 30, 2022 valuation, assumptions for mortality rates were based on the following:

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

The estimated long-term expected rate of return on pension plan investments was determined by the System’s actuary using the System’s target asset allocation as of January 2022 and the G.S. Curran & Company Consultant Average study for 2022. 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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022.

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

Best estimates of arithmetic real rates of return for each major class included in the System’s target asset allocation as of June 30, 2022, are summarized in the following tables:

As of June 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity:		
U.S.	27.5%	5.64%
Non-U.S.	11.5%	5.89%
Global	10.0%	5.99%
Emerging Market Debt	7.0%	7.75%
Fixed Income:		
U.S. Core Fixed Income	18.0%	0.84%
U.S. Tips	3.0%	0.51%
Emerging Market Debt	5.0%	2.99%
Multi-Asset Strategies:		
Global Tactical Asset Allocation	0.0%	3.14%
Risk Parity	0.0%	3.14%
Alternatives:		
Private Equity	9.0%	8.99%
Real Estate	6.0%	4.57%
Real Assets	3.0%	4.89%
Total	<u>100.0%</u>	

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’ Actuary Committee taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate— The following presents the net pension liability of the participating employers calculated using the discount rate of 6.9%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.9% or one percentage point higher 7.9% than the current rate as of June 30, 2022.

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Firefighters' Retirement System Rates	5.90%	6.90%	7.90%
Winn Parish Fire Protection District No. 3's Share of NPL	\$ 424,493	\$ 286,938	\$ 172,208

NOTE 9—SERVICES PROVIDED BY WINN PARISH POLICE JURY

The Winn Parish Police Jury has constructed various fire protection facilities in the Winn Parish Fire District under grants to the Police Jury. In addition, the Police Jury has purchased some fire protection equipment at the facilities it constructs. At the conclusion of the construction of these facilities, the Winn Parish Fire District has assumed the operation and maintenance of such facilities and equipment under an intergovernmental agreement.

During fiscal year ended December 31, 2022 the Winn Parish Police Jury allowed the Fire District's full-time employees to be included in their group health insurance. The District's reimbursement of this cost totaled \$39,297.

NOTE 10—COMPENSATION TO BOARD MEMBERS

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

John Holden	\$ 300
Brad Cooper	300
William King	300
Ronald O'Bryan	300
Bill Thompson	300
Mike Gilliam	300
Josh Hood	300

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 11—RELATED PARTY TRANSACTIONS

The District had one identified related party transactions for the year ended December 31, 2022. During the fiscal year ended December 31, 2017 the District signed a 99-year land lease with the Winn Parish Police Jury for a cost of \$1 per year which the District prepaid. The property remains in the name of the Police Jury, even at the end of the lease. The District states their intention is to have a training facility on the property.

NOTE 12—LEASES/RIGHT OF USE ASSETS

During the year ended December 31, 2019, the District entered into a noncancelable operating lease for a copy machine. The lease began on September 10, 2019 and is for a period of 60 months with payments of \$132 per month and an interest rate of 1.5% per month past due. With the adoption of GASB 87, Government-wide financials show this Right of Use (ROU) Asset and related ROU Liability has been recorded at its net present value of \$3,506 as of the beginning of the fiscal year and is amortized over the remainder of its lease term (34 months as of 1/1/22). Therefore amortization of \$1,237 is recognized for the fiscal year ended December 31, 2022 with \$1,237 and \$1,031 amortization to be recorded in 2023 and 2024 respectively. The ROU Liability is reduced by the principal payments for the fiscal year of \$1,041 and the related interest of \$548 is expensed.

On the Fund financials this ROUA is recorded as an Other Financing Source and Expenditure of \$3,506. The payments of both principal \$1,041 and interest \$548 for the fiscal year are recorded as expenditures.

There is no residual value noted in the terms of the lease agreement. Excluded from the present value calculation are overage charges which are based on variable amounts determined by number of copies utilized each month. The termination penalty appears to be the net present value at the time of early termination. It appears the cumulative effect of restating prior periods would be \$0 as the items offset.

The remaining payments as of December 31, 2022 are as follows:

Fiscal year ended	Principal	Interest	Total
December 31, 2023	\$ 1,244	\$ 344	\$ 1,588
December 31, 2024	<u>1,221</u>	<u>103</u>	<u>1,324</u>
Totals	\$ 2,465	\$ 447	\$ 2,912

Upon researching contracts, it was noted that a lease agreement was signed with Southern Communications for a radio tower in the Calvin area on March 1, 2020 and this lease was purchased from Southern Communications by K2 Towers III, LLC during the current year. The lease began on March 1, 2020 but the first payment appears to be paid April 4, 2021 for \$4,296. It is stated to be for a period of 5 years, expiring on February 28, 2025 with no renewal option. It is assumed that the contract can be renegotiated at that time. The interest rate of 1.5% per month imputed on the Xerox lease was annualized and utilized for calculating present value. With the adoption of GASB 87, Government-wide financials show this Right of Use (ROU) Asset and related ROU Liability has been recorded at its net

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

present value of \$11,556 as of the beginning of the fiscal year and is amortized over the remainder of its lease term (4 years of payments due as of 1/1/22). Therefore amortization of \$2,889 is recognized for the fiscal year ended December 31, 2022 and the same \$2,889 of amortization to be recorded in 2023, 2024 and 2025. The ROU Liability is reduced by the principal payments for the year of \$2,215 and the related interest of \$2,080 is expensed.

On the Fund financials this ROUA is recorded as an Other Financing Source and Expenditure of \$11,556. The payments of both principal \$2,215 and interest \$2,080 for the year are recorded as expenditures.

There is no residual value noted in the terms of the lease agreement. It appears the cumulative effect of restating prior periods would be \$0 as the items offset.

The remaining payments as of December 31, 2022 are as follows:

Fiscal year ended	Principal	Interest	Total
December 31, 2023	\$ 2,615	\$ 1,681	\$ 4,296
December 31, 2024	3,085	1,211	4,296
December 31, 2025	<u>3,641</u>	<u>655</u>	<u>4,296</u>
Totals	\$ 9,341	\$ 3,547	\$ 12,888

NOTE 13—OTHER POST EMPLOYMENT BENEFITS

During the year ended December 31, 2022, the District provided no post-employment benefits other than retirement. Therefore, no disclosure for GASB No. 45 is required.

NOTE 14—PENDING LITIGATION

There were no civil suits seeking damages against the District outstanding as of December 31, 2022.

NOTE 15—SUBSEQUENT EVENTS

Management has evaluated events through May 4, 2023, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

REQUIRED
SUPPLEMENTARY INFORMATION

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance
	Original	Final		(Unfavorable)
Revenues:				
Property Taxes	\$ 625,000	\$ 792,961	\$ 779,413	\$ (13,548)
Intergovernmental:				
2% Fire Rebate	35,000	64,623	64,623	-
Grant	12,000	-	-	-
Charges for Services	-	-	6,613	6,613
Interest & Dividends	13,000	18,407	18,136	(271)
Miscellaneous	3,000	6,904	458	(6,446)
Total Revenues	<u>688,000</u>	<u>882,895</u>	<u>869,243</u>	<u>(13,652)</u>
Expenditures:				
Current—Public Safety				
Payroll	335,000	310,171	311,659	(1,488)
Payroll Taxes	15,000	16,419	16,746	(327)
Retirement	40,000	35,000	35,231	(231)
Bank Charges	250	218	17	201
Office Expenses	10,000	5,196	5,396	(200)
Food/Supplies Training	5,000	6,157	6,139	18
Utilities	30,000	25,935	26,153	(218)
Uniforms	3,500	2,135	2,135	-
Insurance	70,000	103,479	117,874	(14,395)
Computer Programs	-	6,461	6,461	-
Equipment & Supplies	-	43,561	35,297	8,264
Equipment Repair & Maint	17,500	12,873	828	12,045
Vehicle Repair & Maint.	35,000	26,416	63,980	(37,564)
Property Repair & Maint.	20,000	18,137	24,021	(5,884)
Vehicle Fuel	20,000	31,707	31,707	-
Lease (NonGASB 87)	-	6,925	1,041	5,884
ROU Lease Liability	-	-	15,062	(15,062)
Legal Advertising	750	32	58	(26)
Ad/Promo/Signs	350	985	985	-
Accounting, Audit, Legal	26,000	21,750	21,750	-
Training & Vol. Reimburse	10,000	11,121	11,571	(450)
Board Per Diem	2,500	2,100	2,100	-
Miscellaneous	-	411	394	17
Capital Outlay	30,000	115,693	96,621	19,072
ROU Lease Principal	-	-	3,256	(3,256)
ROU Lease Interest	-	-	2,628	(2,628)
Total Expenditures	<u>670,850</u>	<u>802,882</u>	<u>839,110</u>	<u>(36,228)</u>

Continued

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022

Excess (Deficiency) of Revenues over Expenditures	17,150	80,013	30,133	(49,880)
Other Financing Sources/(Uses):				
Right of Use Asset	-	-	15,062	15,062
Sale of Assets	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>20,062</u>	<u>20,062</u>
Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	17,150	80,013	50,195	(29,818)
Fund Balance—Beginning of Year	<u>1,428,146</u>	<u>1,428,146</u>	<u>1,428,146</u>	<u>-</u>
Fund Balance—End of Year	<u>\$1,445,296</u>	<u>\$ 1,508,159</u>	<u>\$1,478,341</u>	<u>\$ (29,818)</u>

See accountant's report.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2022

Actuarial Valuation <u>Date</u>	Employer Portion of the Net Pension Liability/ <u>(Asset)</u>	Employer Proportionate Share of the Net Pension Liability/ <u>(Asset)</u>	Employer's Covered Employee <u>Payroll</u>	Employer's Proportionate Share of the Net Pension Liability/ (Asset) as a Percentage of its Covered Employee <u>Payroll</u>	Plan Fiduciary Net Position as a Percentage of the Total Pension <u>Liability</u>
06/30/22	.0407%	\$286,938	\$104,837	273.70%	74.68%
06/30/21	.0411%	145,493	112,058	129.84%	86.78%
06/30/20	.0525%	363,740	130,646	278.42%	72.61%
06/30/19	.0555%	347,473	134,114	259.09%	73.96%
06/30/18	.0453%	260,615	107,872	241.60%	74.76%
06/30/17	.0335%	192,057	78,234	245.49%	73.55%
06/30/16	.0101%	66,004	22,751	290.12%	68.16%
06/30/15	.0108%	58,251	22,952	253.80%	72.45%

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

Actuarial Valuation Date	Contractually Required Contribution	Contributions in relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
06/30/22	\$35,383	\$35,383	\$ -	\$104,837	33.75%
06/30/21	36,139	36,139	-	112,058	32.25%
06/30/20	36,350	36,255	95	130,646	27.75%
06/30/19	35,540	35,540	-	134,114	26.50%
06/30/18	28,655	28,586	69	107,872	26.50%
06/30/17	19,800	19,754	46	78,234	25.25%
06/30/16	6,200	6,200	-	22,751	27.25%
06/30/15	6,709	6,709	-	22,938	29.25%

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

SUPPLEMENTARY INFORMATION

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF COMPENSATION FOR AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022

In accordance with Act 462 of 2015 which amends Act 706 of the 2014 Legislative Session the following Schedule of Compensation, Reimbursements, Benefits, and Other Payment to the Political Subdivision Head or Chief Executive Officers is presented.

The Winn Parish Fire Protection District No. 3 is governed by a Board of Commissioners. Their compensation as such is noted in the Note Disclosures; however, those board members receiving additional compensation based on training sessions and structure fires attended are listed below.

John Holden	\$ 240
Brad Cooper	-
Ronald O’Bryan	-
William “Buddy” King	-
Bill Thompson	-
Mike Gilliam	-
Josh Hood	-

The Head of Operations for the Fire District is the Chief. During the fiscal year ended December 31, 2022, Harry Foster was chief of the District. The payments to Chief Foster as required to report per Act 706 for the fiscal year ended December 31, 2022, are as follows.

Gross Pay	\$ 44,769
Retirement-Contributed by District	(N/A per statute)
Health Insurance-Paid by District	8,302

A vehicle was provided to the chief for during duty hours. Also vouchered expenses purchased for the District and reimbursed were not included unless for direct benefit of chief as noted above and per Act 706.

See accountant’s report.

Shanna Jones, CPA

795 Big Creek Rd
Winnfield, LA 71483
792-8544

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 *GOVERNMENTAL AUDITING STANDARDS*

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

I have audited the financial statements of the governmental activities and major fund of Winn Parish Fire Protection District No. 3 (the "District"), a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2022, and related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated May 4, 2023. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S., and the *Louisiana Governmental Audit Guide*.

Report on Internal Control Over Financial Reporting

In planning and performing the audit of the financial statements, I 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My 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,

(Continued)

material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 22-01 and 22-02 that I consider to be significant deficiencies.

Report on Compliance and Other Matters

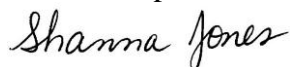
As part of obtaining reasonable assurance about whether Winn Parish Fire Protection District No. 3's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 22-01 and 22-02.

Winn Parish Fire Protection District No. 3's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Winn Parish Fire Protection District No. 3's response to the findings identified in my audit and described in the accompanying schedule of findings. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana R.S. 24:513 this report is a matter of public record and its distribution is not limited.



Shanna Jones, CPA
Winnfield, Louisiana
May 4, 2023

Concluded

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 2022

1. SUMMARY OF AUDIT RESULTS

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

2. FINANCIAL STATEMENTS AUDIT

Significant Deficiencies

Noncompliance

22-01 Possible violation of LA Constitution Article VII, Section 14

Criteria—AG Op. No. 03-0157 states that public funds cannot be used for a Christmas party for employees nor can Christmas gifts be purchased.

Condition—In testing Expenses a \$3,100 invoice to a local restaurant/meat market was selected. The invoice listed the purchase as 25 Christmas hams and a large meat tray for 25 people.

Cause—Unknown

Effect—The purchase of hams for firefighters would appear to constitute a donation of public funds in violation of LA Const. Art. VII, Sec. 14 violation.

Recommendation—I recommend that the board be familiar with laws and regulations applicable to their entity and ensure compliance. Taking the ethics course should assist in this.

Views of Responsible Officials—The District regularly purchases food for training related meetings and did not consider that purchasing food without such a meeting could be a violation of law. We will be more mindful in the future and ensure that all board members take the ethics class to assist in knowledge of nonallowable expenses.

22-02 Possible violation of LA RS 39:1212

Criteria—LA RS 39:12 states that public funds shall be deposited daily whenever practicable.

Condition—In performing AUP testing Collections, items selected for testing were noted to be deposited more than one day after the support was stamped as received.

Cause—Unknown

Effect—The timing of deposits appears to be a violation of LA RS 39:1212.

Recommendation—I recommend that the board appoint an employee to make deposits in a more timely manner to ensure compliance.

Views of Responsible Officials—The District does not receive cash and the checks received are stamped as received when the mail is opened. The employee then takes the deposit and support to our contract accountant for deposit thus causing a delay as the task is not typically performed on the same day. We will change the procedures to have the secretary or Chief make the deposit on the same day collection is received after copying supporting documentation for the accountant's recording.

3. PRIOR YEAR FINDINGS

None.

Shanna Jones, CPA

*795 Big Creek Rd
Winnfield, LA 71483
792-8544*

INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
of the Winn Parish Fire Protection District No. 3
and the Louisiana Legislative Auditor:

I 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, 2022 through December 31, 2022. The Winn Parish Fire Protection District No. 3’s management is responsible for those C/C areas identified in the SAUPs.

The Winn Parish Fire Protection District No. 3 (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, 2022 through December 31, 2022. 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 as follows:

WRITTEN POLICIES AND PROCEDURES

1. 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:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
No exception noted.
 - b) **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.
No exception noted.
 - c) **Disbursements**, including processing, reviewing, and approving.
No exceptions noted.

- d) **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).

None appear to originate with District. No exceptions noted.

- e) **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(s) rate of pay or approval and maintenance of pay rate schedules.

No exception noted.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

District rarely enters into contracts and written policy related to types requiring contracts notates "will be on as needed basis." No other exceptions noted.

- g) **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).

No exception noted.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exception noted.

- i) **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.

No exception noted.

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

District has no debt, but policy states will obtain State approval before debt occurs.

- k) **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.

No exception noted.

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

While no written policy addressing this issue was noted, annual training was available and the entity indicated that report of no harassment complaints was submitted to management but delinquent.

BOARD OR FINANCE COMMITTEE

2. 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:

- a) 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.

No exception noted.

- b) 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.

Noted accountant stated she prepared such in packet sent to board monthly.

- c) 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.

No negative ending unassigned fund balance noted.

- d) 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.

No findings noted on prior year audit report.

BANK RECONCILIATIONS

3. 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:

- a) 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);

No exception noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Minutes referenced approval of financial data. Management provided copies of data sent to meetings including bank reconciliations.

- c) 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.

In past years noted such but on current bank reconciliation noted some outstanding longer than 12 months. Memo to client to research.

COLLECTIONS

- 4. 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).

Management provided listing and representation.

- 5. 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 no written policies or procedures, 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:

- a) Employees responsible for cash collections do not share cash drawers/registers.

Management stated no cash collected; checks received via mail at central station.

- b) 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.

Again, noted no cash collected. Chief opens mail and brings checks and supporting documentation to accountant to deposit and input to software.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No cash; accountant records the check deposits to the general fund and reconciles the related account.

- d) 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.

See (b) and (c).

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

No cash noted and no evidence of bonds.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (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:

- a) Observe that receipts are sequentially pre-numbered.

Items collected and remitted to District appear to have alternative supporting documentation.

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

No exception noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exception noted.

- d) 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).

Checks received, noted items appear deposited more than one day after receipt stamp. See finding 22-02.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exception noted.

NON-PAYROLL DISBURSEMENTS

(excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. 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).

Obtained listing and representation letter.

9. 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

Chief initiates purchase. Invoice sent to accountant for input and check printing. Two board members sign approval.

- b) At least two employees are involved in processing and approving payments to vendors.

Invoice, initialed by Chief as approval, is given to accountant for payment. Two board members sign check as approval and whole board questions costs at monthly meeting.

- c) 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.

It does not appear that the person responsible for processing payments, accountant, is prohibited from adding vendors. However, supporting invoice was noted for each payment selected and only board members sign checks.

- d) 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.

No exception noted.

- e) 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.

Routine transactions such as monthly utilities on draft do not appear to be approved prior to the draft; however, monthly financial reports show these transactions to the board.

- 10. 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:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Disbursements matched original invoices with following exception at times. While no indication noting deliverables were received, exceptions to receiving items were noted to omit from paying and disbursement matched.

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

No exception noted.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, 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.

No items other than routine transactions such as monthly utilities were noted on ach/draft/electronic disbursements. These items do not appear to be approved by the board/signors prior to payment (chief approval was noted but he is not an authorized signor); however, monthly financial reports show these transactions to the board.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

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

Obtained listing and representation letter.

13. 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:

- a) 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.

On the monthly statements selected, noted approval in writing by Chief and majority of purchases had supporting invoices attached in addition to statements' detailed reports.

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

Noted one card had finance fee charged.

14. 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Majority have original itemized receipt identifying purchase. Receipt detail available with vendor notation of purchase, while not all have formal business purpose documented, can ascertain useable for governmental purposes. For meal charges, appear to have documentation of group participating.

TRAVEL AND EXPENSE REIMBURSEMENT (excluding card transactions)

15. 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, 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:

Obtained management's representation and listing.

- a) 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).

No exception noted.

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

N/A for current year.

- c) 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 policy (procedure #1h).

No exception noted.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement

No exception noted.

CONTRACTS

16. 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. 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:

Obtained management representation and listing.

- a) 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.

No exceptions noted.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

No exceptions noted.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions noted.

- d) 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.

No exceptions noted.

PAYROLL AND PERSONNEL

- 17. 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.

Obtained listing and representation.

Appear to comply with pay rates approved by Board.

- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

No exception noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exception noted.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exception noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exception noted.

- 19. 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, 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 or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Obtained listing and representation. Noted no termination payments current year.

20. 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.

Obtained management's representation.

ETHICS

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and.

No exception noted in selection.

- b) 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.

No exception noted.

DEBT SERVICE

22. 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 State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

N/A, none noted.

23. 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).

N/A, none noted; management representation agrees.

FRAUD NOTICE

24. 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.

None per management's representation.

25. 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.

No exception noted.

INFORMATION TECHNOLOGY DISASTER RECOVERY/
BUSINESS CONTINUITY

26. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

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

I performed the procedure and discussed the results with management.

27. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

I performed the procedure and discussed the results with management.

PREVENTION OF SEXUAL HARASSMENT

28. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exception noted.

29. Observe 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).

No exception noted.

30. 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 it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Report noted; however, dated after the required date. Discussed with management need to have such a report filed timely.

I was engaged by Winn Parish Fire Protection District No. 3 to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of Winn Parish Fire Protection District No. 3 and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my 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.



Shanna Jones, CPA
Winnfield, Louisiana
May 4, 2023

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
8920 HWY. 501
WINNFIELD, LA 71483

May 4, 2023

Shanna Jones, CPA
795 Big Creek Rd
Winnfield, LA 71483

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 1, 2022 through December 31, 2022, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas, as applicable.
Yes No
2. For the fiscal period January 1, 2022 through December 31, 2022, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.
Yes No
3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.
Yes No
4. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.
Yes No
5. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.
Yes No
6. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2022, and May 2, 2023.
Yes No

7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
- Yes No
8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes No
9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes No
10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes No
11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes No
12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes No
13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
- Yes No
14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.
- Yes No
15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.
- Yes No
16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.
- Yes No

17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.
- Yes No
18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.
- Yes No
19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.
- Yes No
20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.
- Yes No
21. We are not aware of any material misstatements in the C/C areas identified in the SAUPs.
- Yes No
22. We have disclosed to you other data you deemed necessary to complete SAUPs.
- Yes No
23. We have responded fully to all inquiries made by you during the engagement.
- Yes No
24. We are not aware of any events that have occurred subsequent to December 31, 2022, that would require adjustment to or modification of the results of the agreed-upon procedures.
- Yes No

The previous responses have been made to the best of our belief and knowledge.

Signature HH Jost Date 5/4/2023

Title Chief