

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

FINANCIAL REPORT
DECEMBER 31, 2017

SHANNA JONES, CPA
WINNFIELD, LOUISIANA

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
FINANCIAL REPORT
DECEMBER 31, 2017

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Shanna Jones, CPA

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the governmental activities and major fund of Winn Parish Fire Protection District No. 3, a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluation of the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Winn

Parish Fire Protection District No. 3 as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information 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 30. 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 statement in appropriate operation, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information. I have applied certain limited procedures to the required supplementary information presented 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.

Other Information

As amended by Act 462 of 2015, Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer supplement the financial statements. I have applied certain limited procedures to the required supplementary information presented on page 34, 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.

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 39-50. 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 51-53. 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.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated March 26, 2018, 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 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 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
March 26, 2018

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	<u>Governmental Activities</u>
Assets:	
Current Assets:	
Cash & Cash Equivalents	\$ 501,063
Investments	1,076,750
Prepaid Expenses	7,707
Interest Receivable	682
Ad Valorem Tax Receivable	<u>599,499</u>
Total Current Assets	2,185,701
Non-Current Assets:	
Capital Assets	
Depreciable (Net)	1,458,280
Non-Depreciable	<u>58,665</u>
Total Non-Current Assets	1,516,945
Total Assets	3,702,646
Deferred Outflows:	
Pension Related	<u>150,154</u>
Total Assets & Deferred Outflows	3,852,800
Liabilities:	
Current Liabilities:	
Accounts Payable	9,283
Payroll Related Liabilities	<u>6,473</u>
Total Current Liabilities	15,756
Long-Term Liabilities:	
Net Pension Liability	<u>192,057</u>
Total Liabilities	207,813
Deferred Inflows:	
Pension Related	30,206
Net Position:	
Invested in Capital Assets	1,516,945
Unrestricted	<u>2,097,836</u>
Total Net Position	<u><u>\$ 3,614,781</u></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, 2017

<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>Operating</u> <u>Grants &</u> <u>Contributions</u>	<u>Capital</u> <u>Grants &</u> <u>Contributions</u>	
Governmental Activities:				
Public Safety	\$ 838,551	\$ 39,303	\$ -	\$ (799,248)
General Revenues:				
				619,417
				8,481
				5,333
				35,484
				<u>(17,719)</u>
				650,996
				(148,252)
				<u>3,763,033</u>
				<u>\$ 3,614,781</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, 2017

	<u>Major Fund: General</u>
Assets:	
Current Assets:	
Cash & Cash Equivalents	\$ 501,063
Investments	1,076,750
Prepaid Expenses	7,707
Interest Receivable	682
Ad Valorem Receivable	<u>599,499</u>
Total Assets	<u><u>2,185,701</u></u>
Liabilities:	
Current Liabilities:	
Accounts Payable	9,283
Payroll Related Liabilities	<u>6,473</u>
Total Liabilities	<u>15,756</u>
Fund Balance:	
Nonspendable	7,707
Committed	1,005,227
Unassigned	<u>1,157,011</u>
Total Fund Balance	<u>2,169,945</u>
Total Liabilities & Fund Balance	<u><u>\$ 2,185,701</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, 2017

Total Fund Balance for the Governmental Fund at December 31, 2017	\$ 2,169,945
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Deferred Outflows—Pension Related	150,154
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	5,057,011
Less: Accumulated Depreciation	(3,598,731)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet:	
Net Pension Liability	(192,057)
Deferred Inflows—Pension Related	<u>(30,206)</u>
Total Net Position of Governmental Activities at December 31, 2017	<u>\$ 3,614,781</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, 2017

	<u>Major Fund: General</u>
Revenues:	
Taxes	\$ 619,417
Intergovernmental:	
Fire Insurance Rebate	39,303
Miscellaneous:	
Interest Earned	5,333
Other	<u>35,484</u>
 Total Revenues	 <u>699,537</u>
Expenditures:	
Current:	
Public Safety	643,717
Capital Outlay	<u>101,601</u>
 Total Expenditures	 <u>745,318</u>
 Excess of Expenditures over Revenues	 (45,781)
 Other Financing Sources:	
Capital Asset Sales	 <u>-</u>
 Excess of Expenditures & Other Financing Uses over Revenues & Other Financing Sources	 (45,781)
 Fund Balance—Beginning of Year	 <u>2,215,726</u>
 Fund Balance—End of Year	 <u>\$ 2,169,945</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, 2017

Net Change in Fund Balance—Governmental Fund	\$ (45,781)
<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>	
	101,601
<p>Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is</p>	
	(183,710)
<p>Governmental Funds report the entire amount received from the Sales of Assets as Revenues, but the undepreciated cost of the assets reduces the gain from the sale in the Statement of Activities.</p>	
	(17,719)
Non-employer Contributions to Cost-sharing Pension Plan	8,481
Pension Expense (Benefit)	<u>(11,124)</u>
Net Change in Net Position per Statement of Activities	<u>\$ (148,252)</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, 2017

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 14,400 per latest population estimates. The District operates through a Board of Commissioners and is governed by various State of Louisiana Revised Statutes, including but not limited to LSA-RS 40:1491 to 40:1509.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
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2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

Basis of Presentation

Government-Wide Financial Statements (GWFS):

GASB Statement No. 63 changed the title of Net Assets to Net Position along with standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. As required the District has implemented GASB Statement No. 63 for the fiscal year ended December 31, 2012.

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

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

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 manage-

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

ment 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:

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
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incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Assets Liabilities and Equity

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

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

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

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

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

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

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

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

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

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

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

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

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The General Fund, the District's only major governmental fund, has a nonspendable fund balance of \$7,707 which represents prepaid expenses. 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, 2017 the remaining committed fund balance was \$1,005,227. The remaining fund balance of \$1,157,011 is classified as unassigned.

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 9. 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.

As required the Winn Parish Fire Protection District No. 3 adopted during fiscal year ended December 31, 2015, GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" an amendment of GASB Statement No. 27 and Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date" an amendment of GASB 68.

Budget—The proposed budget for the General Fund for the fiscal year ended December 31, 2017 was made available for public inspection and adopted in December 2016. The original budget was amended in December 2017 and such budgets are prepared on the modified accrual basis of accounting.

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

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

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3—CASH AND CASH EQUIVALENTS

At December 31, 2017, the carrying amount of the District's cash and cash equivalents (collected bank balances) totaled \$514,125. Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2017, the District's deposits were secured from risk by federal deposit insurance of \$250,000 and the remainder by pledged securities in the name of the District with a market value greater than the remaining amount.

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

NOTE 4—INVESTMENTS

At December 31, 2017, investments held by the District consist of \$1,067,413 in certificates of deposit within a local financial institution and secured by FDIC insurance and pledged securities in the name of the District with a market value greater than the remaining amount.

Also at December 31, 2017 were investments held by the District of \$9,337 in the Louisiana Asset Management Pool (LAMP), the local government investment pool. The investment in LAMP by the District is not categorized in the three risk categories provided by GASB because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by the initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio included only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
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Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

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

The dollar weighted average portfolio maturity LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

NOTE 5—AD VALOREM TAX RECEIVABLE

At December 31, 2017, ad valorem receivable totaled \$599,499 and was a result of ad valorem taxes assessed and levied but not remitted by year end. These receivables are considered to be fully collectible and therefore no allowance for doubtful accounts is used.

NOTE 6—CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2017 are as follows:

Governmental Activities	Balance <u>01/01/17</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/17</u>
Capital Assets—Not Depreciable:				
Land	\$ 58,665	\$ -	\$ -	\$ 58,665
Capital Assets—Depreciable:				
Buildings & Improvements	456,767	-	-	456,767
Fire Equipment	4,559,475	89,601	113,040	4,536,036
Office Equipment & Furniture	52,208	12,000	-	64,208
Subtotal	<u>5,068,450</u>	<u>101,601</u>	<u>113,040</u>	<u>5,057,011</u>
 Total Assets	 <u>5,127,115</u>	 <u>101,601</u>	 <u>113,040</u>	 <u>5,115,676</u>

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Governmental <u>Activities</u>	<u>Balance</u> <u>01/01/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/17</u>
Less Accumulated Depreciation:				
Buildings & Improvements	196,006	16,178	-	212,184
Fire Equipment	3,275,381	163,817	95,321	3,343,877
Office Equipment & Furniture	<u>38,955</u>	<u>3,715</u>	<u>-</u>	<u>42,670</u>
Total Accum. Depreciation	<u>3,510,342</u>	<u>183,710</u>	<u>95,321</u>	<u>3,598,731</u>
 Net Capital Assets	 <u>\$1,616,773</u>			 <u>\$1,516,945</u>

Depreciation expense for the year ended December 31, 2017 of \$183,710 is charged to the public safety function.

NOTE 7—COMPENSATED ABSENCES

During the fiscal year ended December 31, 2017 the District did not carry forward leave from year to year, therefore no entry is required to record compensated absences.

NOTE 8—AD VALOREM TAXES

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

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

Property Tax Calendar

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

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017. Total assessed value for the District was \$67,502,992 in 2017. 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 \$13,533,299 of the assessed value in 2017. For the year ended December 31, 2017, taxes of 12.0 mills were authorized and levied on the properties and were dedicated to fire protection.

NOTE 9—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), 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 are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% percent of their final-average compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100 percent.

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

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

Funding Policy - Plan members are required by state statute to contribute 10.0 percent of their annual covered salary, for wages above poverty and the Winn Parish Fire Protection District No. 3 is required to contribute at an actuarially determined rate. The current rate is

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

26.50 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, 2017 and 2016 were \$34,821 and \$14,840 respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2017, the District reported a liability of \$192,057 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2017 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, 2017, the District's proportion was .0335%, which was an increase of 0.0234% from its proportion measured as of June 30, 2016. For the year ended December 31, 2017, the District recognized pension expense (benefit) of \$(11,124) representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2017, 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		\$ 10,710
Changes of assumptions	\$ 8,033	46
Net difference between projected and actual earnings on pension plan investments	16,522	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	112,693	19,450
Employer contributions subsequent to the measurement date	<u>12,906</u>	<u>-</u>
Totals	\$ 150,154	\$ 30,206

The District reported a total of \$12,906 as deferred outflow of resources related to pension contributions made subsequent to the plan's measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability in the District's fiscal year ended December 31, 2018.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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
2018	\$ 21,782
2019	25,091
2020	17,767
2021	7,112
2022 and after	<u>35,290</u>
Total	<u>\$107,042</u>

Actuarial Methods and Assumptions—A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	7.4% per annum 7.5% per annum-2016
Inflation Rate	2.775 per annum 2.875% per annum-2016
Projected Salary Increases	Vary from 15.0% in the first two years of service to 4.75% after 25 years
Cost of Living Adjustments	Only those previously granted
Expected Remaining Service Lives	7 years

Mortality Rate—The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Combined Healthy Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for the employee, annuitant, and the beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The resulting long term expected arithmetic nominal rate of return was 8.29% as of June 30, 2017. Best estimates of arithmetic real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity:		
US	27.0%	6.15%
Non-US	20.0%	7.45%
Global	10.0%	6.85%
Fixed Income	23.0%	2.04%
Alternatives:		
Real Estate	6.0%	4.62%
Private	4.0%	8.73%
Multi-Asset Strategies:		
Global Tactical Asset Allocation	5.0%	4.40%
Risk Parity	<u>5.0%</u>	4.79%
Total	<u>100.0%</u>	

Discount Rate—The discount rate used to measure the total pension liability was 7.4%. 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 will be made at the actuarially determined rates approved by the Board of Trustees and by the PRSAC 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 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 7.4%, 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 6.4% or one percentage point higher 8.4% than the current rate as of June 30, 2017.

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Firefighters' Retirement System Rates	6.4%	7.4%	8.4%
Winn Parish Fire Protection District No. 3's Share of NPL	\$ 275,979	\$ 192,057	\$ 121,509

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 10—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, 2017 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 \$27,568.

NOTE 11—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:

Bryan Price	\$ 300
Brian Montgomery	300
William Martin	300
Billy Martin	300
John Holden	300
Gene Cain	300
Mike Riffe	300

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

NOTE 12—RELATED PARTY TRANSACTIONS

The District had one identified related party transactions for the year ended December 31, 2017. During the fiscal year 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 13—OTHER POST EMPLOYMENT BENEFITS

During the year ended December 31, 2017, the District provided no post-employment benefits other than retirement. Therefore, no disclosure for GASB No. 45 is required.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 14—PENDING LITIGATION

There were no civil suits seeking damages against the District outstanding at December 31, 2017.

NOTE 15—SUBSEQUENT EVENTS

Management has evaluated events through March 26, 2018, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenues:				
Property Taxes	\$ 550,000	\$ 601,830	\$ 619,417	\$ 17,587
Intergovernmental:				
2% Fire Rebate	40,000	47,315	39,303	(8,012)
Interest	5,000	4,579	5,333	754
Miscellaneous	<u>1,500</u>	<u>2,219</u>	<u>35,484</u>	<u>33,265</u>
 Total Revenues	 <u>596,500</u>	 <u>655,943</u>	 <u>699,537</u>	 <u>43,594</u>
 Expenditures:				
Current—Public Safety				
Payroll	195,000	265,000	263,472	1,528
Payroll Taxes	20,000	12,000	13,398	(1,398)
Office Expenses	12,000	9,300	8,629	671
Food/Supplies Training	10,000	7,000	7,541	(541)
Utilities	22,000	22,000	21,133	867
Uniforms	7,500	3,500	2,464	1,036
Insurance & Retirement	80,000	69,000	105,360	(36,360)
Equipment & Supplies	45,000	49,200	55,744	(6,544)
Vehicle Repair & Maint.	80,000	72,000	66,411	5,589
Property Repair & Maint.	15,000	17,000	38,558	(21,558)
Vehicle Fuel	15,000	20,000	22,528	(2,528)
Legal Advertising	1,200	500	86	414
Accounting, Audit, Legal	25,000	23,000	22,369	631
Training & Vol. Reimburse	25,000	15,000	13,361	1,639
Board Per Diem	-	2,600	2,100	500
Miscellaneous	-	3,000	563	2,437
Capital Outlay	<u>-</u>	<u>101,601</u>	<u>101,601</u>	<u>-</u>
 Total Expenditures	 <u>552,700</u>	 <u>691,701</u>	 <u>745,318</u>	 <u>(53,617)</u>
 Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	 43,800	 (35,758)	 (45,781)	 (10,023)
 Fund Balance—Beginning of Year	 <u>2,215,726</u>	 <u>2,215,726</u>	 <u>2,215,726</u>	 <u>-</u>
 Fund Balance—End of Year	 <u>\$2,259,526</u>	 <u>\$ 2,179,968</u>	 <u>\$ 2,169,945</u>	 <u>\$ (10,023)</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, 2017

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>
06/30/17	.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, 2017

Actuarial Valuation <u>Date</u>	Contractually Required <u>Contribution</u>	Contributions in relation to Contractually Required <u>Contributions</u>	Contribution Deficiency <u>(Excess)</u>	Employer's Covered Employee <u>Payroll</u>	Contributions as a Percentage of Covered Employee <u>Payroll</u>
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, 2017

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.

Bryan Price	\$ 50
Brian Montgomery	-
William Martin	185
Billy Martin	-
John Holden	385
Gene Cain	110
Mike Riffe	-

The Head of Operations for the Fire District is the Chief. During the fiscal year ended December 31, 2017, 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, 2017, are as follows.

Gross Pay	\$ 42,000
Retirement-Contributed by District	(N/A per statute)
Health Insurance-Paid by District	8,932

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, a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2017, and related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated March 26, 2018. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. and the *Louisiana Governmental Audit Guide*.

Internal Control Over Financial Reporting

In planning and performing the audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. 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 District's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 did identify certain deficiencies in internal control, described in the accompanying schedule of findings that I consider to be significant deficiencies. See findings 17-01, 17-02, and 17-03.

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 three instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings. See findings 17-01, 17-02, and 17-03.

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

The Winn Parish Fire Protection District No. 3's response to the findings identified in my audit is described in the accompanying schedule of findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

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.



Shanna Jones, CPA
Winnfield, Louisiana
March 26, 2018

Concluded

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 2017

A. SUMMARY OF AUDIT RESULTS

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

B. FINANCIAL STATEMENTS AUDIT

Significant Deficiency

Compliance

17-01 Noncompliance with Budget Act

Finding—Entity's actual expenses exceeded budgeted expenses by more than 5% variance allowance although the budget was amended during the year.

Recommendation—Management should adjust the figures when amending the budget ensure compliance with state statutes. Discussing with the District's internal accountant before adopting and publishing the budget can assist in this effort.

Management's Response—Management will be more aware of items listed on the budget verses actual expenses and will discuss with our internal accountant any questions of financial matters going forward.

17-02 Lack of Written Policies and Procedures

Finding—In performing Statewide AUPs, noted written policies and procedures required were verbal except for payroll policies during fiscal year ended December 31, 2017.

Recommendation—While the District appears to follow verbal procedures, only payroll appeared to have written policies and procedures in place for the whole fiscal year. Written policies were noted to be in in progress at year end.

Management's Response—We had verbal policies in place which were being followed. We are in the process of writing the policies and procedures we use and implementing a process to monitor these written policies.

(Continued)

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF FINDINGS (Continued)
YEAR ENDED DECEMBER 31, 2017

17-03 Compliance with Regulatory Statutes—Unclaimed Property Act

Finding—In performing Statewide AUPs, noted Louisiana Revised Statutes Unclaimed Property Act requires property (checks) held by a governmental subdivision be remitted to the state one year after the property becomes distributable, except as provided in R.S. 15:86.1. As the District has checks listed on the bank reconciliation dated beyond time limit, they may not be in compliance with state law.

Recommendation—It is recommended that the District investigate items listed as outstanding on the bank reconciliation to determine if they are in fact payable and if so, attempt to reissue to payee or remit to State Treasury if unable to locate payee as required by state statute.

Management's Response—We will investigate outstanding items on bank reconciliation and ensure compliance with state statutes.

C. PRIOR YEAR FINDINGS

Significant Deficiency

Compliance

16-01 Noncompliance with Budget Act

Finding—Entity's actual revenues fail to meet budgeted revenues by more than 5% allowance although budget was amended during the year. It appears that management budgeted the cashing of a certificate of deposit as revenue/income thus causing the unfavorable variance.

Recommendation—Management should watch carefully the coding for budgets and not misplace a balance sheet item on the income statement. Discussing with the District's internal accountant before adopting and publishing the budget can assist in this effort.

Response—Management will be more cautious of items listed on the budget and will discuss with our internal accountant any questions of financial matters going forward.

Status—See Finding 17-01.

Concluded

Shanna Jones, CPA

795 Big Creek Rd
Winnfield, LA 71483
792-8544

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING LOUISIANA LEGISLATIVE AUDITOR'S STATEWIDE 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, which were agreed to by the management of the Winn Parish Fire Protection District No. 3 (the District), and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Winn Parish Fire Protection District No. 3's compliance with certain laws and regulations during the fiscal year ended December 31, 2017, 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.

This 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. 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.

The procedures and associated findings are as follows:

WRITTEN POLICIES AND PROCEDURES

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - 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.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts**, including receiving, recording, and preparing deposits
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- 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
- 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, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written procedures noted to be in process for fiscal year ended December 31, 2017.

BOARD OR FINANCE COMMITTEE, if applicable

2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The minutes to the meetings of the District noted the Board met at least monthly.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Noted documentation showing monthly budget to actual comparisons for the Board to review.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The referenced minutes included non-budgetary financial information and approval of large disbursements.

BANK RECONCILIATIONS

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Management provided me with required representation.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Bank reconciliations appear to have been prepared.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

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

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Noted no documentation reflecting that management has researched reconciling items that appear to have been outstanding for more than six months during fiscal year ended December 31, 2017.

COLLECTIONS

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Management provided listing and representation.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

No cash noted as received other than checks. Appears checks are mailed to District. No bonding noted. Management stated Chief receives checks and support. Checks and documentation given to accountant for depositing, recording and reconciliation.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Accountant reconciles cash deposits to revenue source supporting documentation.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The week of January 17, 2017 had the largest check collection; therefore, it's collections were traced from the deposit recording to the related revenue source documentation. As deposit was made up of checks, unable to determine if deposit made same day received; however, based on checks, supporting data and deposit date appears deposit was made timely.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Again, does not appear that entity receives cash; only checks. Management copies check and attaches to related documentation provide support for monies received.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

While policy in progress, client stated monthly receive property taxes from other governmental entity with support for amounts and annually receive LWCC dividend and 2% Fire Insurance from WPPJ. Checks are copied for documentational support.

DISBURSEMENTS – General

(excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Obtained listing and representation letter.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Purchases do not appear to have been initiated using a requisition/purchase order system as no purchase orders noted to be attached to invoices.

b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Per inquiry, Chief orders and turn in receipts to accountant for printing/recording and board approves by signing checks.

c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Payments for purchases sampled had related invoice for support. Majority of invoices had formal approval by Chief noted and again Board signs checks as approval.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

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 and only Board members sign checks.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Board has signing authority and does not record purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Management presented unused check supplies locked in offices.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No signature stamp utilized. Chief mails once signed.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

On the largest monthly statements noted approval in writing by Chief and purchases had the majority of original receipts supporting attached in addition to statements' detailed reports, except for fuel purchases.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Although appear to pay off charges monthly, noted finance charges and/or late fees appear to have been assessed on the related statement of one card. It appears to be related to exceeding the spending limit.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

Majority had original itemized receipt available with vendor notation of purchase.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Majority have business purpose documented. For meal charges, appear to have documentation of group participating.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No additional documentation noted to be required per inquiry.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No purchases appear to have Public Bid Law requirements, other than one capital outlay purchase which management stated was purchased at state contract price.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Based on vendor documentation appear to be allowable expenditures: public safety, office supplies, etc.

TRAVEL AND EXPENSE REIMBURSEMENT

- 17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Obtained management's representation and listing.

- 18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Written policies noted as in progress for fiscal year.

- 19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Noted no reimbursements for meals, mileage or lodging, although one reimbursement noted for food. Entity appears to purchase meals/food for training and related meetings and reimburses vouchered expenses as well as volunteer/call out to fire. Noted these payments had documentational support.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Employees/volunteers selected were reimbursed per documented invoice.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Support documents public purpose.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No additional documentation appears required for employees/volunteers tested.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Appear proper.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Documentation of expenses appear reviewed and approved by someone other than person receiving reimbursement.

CONTRACTS

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Obtained management representation; there were no contracts with vendors, other than land lease with WPPJ.

21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Noted no written contracts with stated vendors for current year.

b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

➤ If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder). N/A

➤ If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice. N/A

c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment. N/A

d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract. N/A

e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter). N/A

PAYROLL AND PERSONNEL

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management’s representation that the listing is complete.

Obtained listing and representation.

Randomly select five employees/officials, obtain their personnel files, and:

a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Appear to comply with pay rates approved by board.

b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No changes in pay rates noted for current fiscal year.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Noted only full-time employees eligible for leave, and daily attendance and leave approved for employees documented.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Noted approval documented for employees selected.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

It appears entity's general fund manager maintaining leave records in QuickBooks, which prints on paystubs. However manager stated uncertain of correctness; therefore Chief stated he will begin a log documenting hours earned, used and balance available.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Obtained representation, no employees terminated during current fiscal year.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Payroll taxes and retirement contributions appear to be submitted to applicable agencies by required deadlines although prior year retirement contribution appeared to be short an immaterial amount.

ETHICS (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Ethic certificates supporting full-time employees training completed were noted in documentation.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Per management, no allegations of ethics violations were reported to the entity during the fiscal period.

DEBT SERVICE (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

N/A

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

No debt noted as outstanding during the fiscal period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

N/A

OTHER

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No misappropriations of public funds or assets noted.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Noted fraud hotline notice posted on premises and website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

I was not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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 Louisiana Legislative Auditor as a public document.

Shanna Jones

Shanna Jones, CPA
Winnfield, Louisiana
March 26, 2018

WINN PARISH FIRE PROTECTION DISTRICT NO. 3

P. O. BOX 70
WINNFIELD, LA 71483

March 26, 2018

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, 2017 through December 31, 2017, 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; disbursements; credit/debit/fuel/purchasing cards; travel and expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas, as applicable.
Yes No
2. For the fiscal period January 1, 2017 through December 31, 2017, 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 disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.
Yes No
5. 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, 2017, and March 26, 2018.
Yes No
6. 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

7. We represent that the listing of bank accounts provided to you is complete.
Yes No
8. We represent that the listing of cash/check/money order (cash) collection locations provided to you is complete.
Yes No
9. We represent that the listing of entity disbursements or the general ledger population of entity disbursements provided to you is complete.
Yes No
10. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards, provided to you is complete.
Yes No
11. We represent that the listing of all travel and related expense reimbursements, by person, during the fiscal period or the general ledger population of travel and related expense reimbursements provided to you is complete.
Yes No
12. We represent that the listing of all contracts in effect during the fiscal period or the general ledger population of contract payments provided to you is complete.
Yes No
13. We represent that the listing of employees (and elected officials, if applicable) with their related salaries provided to you is complete.
Yes No
14. We represent that the listing of employees (and elected officials, if applicable) that terminated during the fiscal period provided to you is complete.
Yes No
15. We have disclosed to you other data you deemed necessary to complete SAUPs.
Yes No
16. We have responded fully to all inquiries made by you during the engagement.
Yes No

17. We are not aware of any events that have occurred subsequent to December 31, 2017, 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  Date 3/26/18

Title President