

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

FINANCIAL REPORT
DECEMBER 31, 2020

SHANNA JONES, CPA
WINNFIELD, LOUISIANA

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
FINANCIAL REPORT
DECEMBER 31, 2020

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	6
Statement of Activities	7
Fund Financial Statements:	
Balance Sheet—Governmental Fund	9
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balance—Governmental Fund	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	12
NOTES TO FINANCIAL STATEMENTS	14
OTHER REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule—General Fund	31
Schedule of Proportionate Share of the Net Pension Liability	33
Schedule of Pension Contributions	34
SUPPLEMENTARY INFORMATION:	
Schedule of Compensation for Agency Head	36
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in accordance with <i>Governmental Auditing Standards</i>	37
Schedule of Findings	39

Shanna Jones, CPA

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

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, 2020, 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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a 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, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, schedules of proportionate share of net pension liability and contributions be presented to supplement the basic financial statements. The Winn Parish Fire Protection District No. 3 has not presented the Management's Discussion and Analysis but has included the Budgetary Comparison Schedule on page 31, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 33, and the Schedule of the District's Contributions on page 34. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by the missing information. I have applied certain limited procedures to the presented required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

As previously stated, my audit was conducted for the purpose of forming an opinion on financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer presented on page 36 and listed in the Table of Contents as Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements but is required by Act 462 of 2015 which amends Act 706 of the Louisiana 2014 Legislative Session. This schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Benefits and Other Payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated April 19, 2021, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements

and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Winn Parish Fire Protection District No. 3's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Shanna Jones

Shanna Jones, CPA
Winnfield, Louisiana
April 19, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Governmental Activities</u>
Assets:	
Current Assets:	
Cash & Cash Equivalents	\$ 308,562
Investments	337,593
Prepaid Expenses	18,824
Ad Valorem Tax Receivable	<u>674,825</u>
Total Current Assets	1,339,804
Non-Current Assets:	
Capital Assets	
Depreciable (Net)	1,901,352
Non-Depreciable	<u>58,665</u>
Total Non-Current Assets	1,960,017
Total Assets	3,299,821
Deferred Outflows:	
Pension Related	<u>222,345</u>
Total Assets & Deferred Outflows	3,522,166
Liabilities:	
Current Liabilities:	
Accounts Payable	14,058
Payroll Related Liabilities	<u>15,370</u>
Total Current Liabilities	29,428
Long-Term Liabilities:	
Compensated Absences	14,252
Net Pension Liability	<u>363,740</u>
Total Long-Term Liabilities	377,992
Total Liabilities	407,420
Deferred Inflows:	
Pension Related	43,296
Net Position:	
Invested in Capital Assets	1,960,017
Unrestricted	<u>1,111,433</u>
Total Net Position	<u><u>\$ 3,071,450</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, 2020

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue & Changes in Net Position Government Activities</u>
		<u>Fines, Fees & Charges for Services</u>	<u>Operating Grants & Contributions</u>	
Governmental Activities:				
Public Safety	\$ 902,946	\$ 25,700	\$ 42,146	\$ (835,100)
General Revenues:				
	Taxes—Ad Valorem			683,089
	Non-employer Pension Contributions			14,703
	Interest Earnings			14,141
	Insurance Claims			15,132
	Miscellaneous			<u>3,733</u>
	Total General Revenues			730,798
	Change in Net Position			(104,302)
	Net Position, December 31, 2019			<u>3,175,752</u>
	Net Position December 31, 2020			<u>\$ 3,071,450</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, 2020

	Major Fund: <u>General</u>
Assets:	
Current Assets:	
Cash & Cash Equivalents	\$ 308,562
Investments	337,593
Prepaid Expenses	18,824
Ad Valorem Receivable	<u>674,825</u>
Total Assets	<u><u>1,339,804</u></u>
Liabilities:	
Current Liabilities:	
Accounts Payable	14,058
Payroll Related Liabilities	<u>15,370</u>
Total Liabilities	<u><u>29,428</u></u>
Fund Balance:	
Nonspendable	18,824
Committed	87,477
Unassigned	<u>1,204,075</u>
Total Fund Balance	<u><u>1,310,376</u></u>
Total Liabilities & Fund Balance	<u><u>\$ 1,339,804</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, 2020

Total Fund Balance for the Governmental Fund at December 31, 2020	\$ 1,310,376
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Deferred Outflows—Pension Related	222,345
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	5,873,285
Less: Accumulated Depreciation	(3,971,933)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet:	
Compensated Absences	(14,252)
Net Pension Liability	(363,740)
Deferred Inflows—Pension Related	<u>(43,296)</u>
Total Net Position of Governmental Activities at December 31, 2020	<u>\$ 3,071,450</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, 2020

	Major Fund: <u>General</u>
Revenues:	
Taxes	\$ 683,089
Intergovernmental:	
Fire Insurance Rebate	35,360
Grant	6,786
Charges for Services	25,700
Miscellaneous:	
Interest Earned & LWCC Dividend	14,141
Other	<u>3,733</u>
Total Revenues	<u>768,809</u>
Expenditures:	
Current:	
Public Safety	653,090
Capital Outlay	<u>159,354</u>
Total Expenditures	<u>812,444</u>
Excess of Expenditures over Revenues	(43,635)
Other Financing Sources/(Uses):	
Insurance Claims	15,132
Excess of Expenditures & Other Financing	
Uses over Revenues & Other	
Financing Sources	(28,503)
Fund Balance—Beginning of Year	<u>1,338,879</u>
Fund Balance—End of Year	<u><u>\$ 1,310,376</u></u>

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balance—Governmental Fund	\$ (28,503)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
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	159,354
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	(193,640)
Change in Compensated Absences	(431)
Non-employer Contributions to Cost-sharing Pension Plan	14,703
Pension Expense (Benefit)	<u>(55,785)</u>
Net Change in Net Position per Statement of Activities	<u>\$ (104,302)</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, 2020

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 14,300 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
DECEMBER 31, 2020

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, 2020

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
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020 the remaining committed fund balance was \$87,477. The General Fund, the District's only major governmental fund, has a nonspendable fund balance of \$18,824 which represents prepaid expenses. The remaining fund balance of \$1,204,075 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, 2020 was made available for public inspection and adopted in December 2019. The original budget was amended subsequent to 2020. 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, 2020

NOTE 3—CASH AND CASH EQUIVALENTS

At December 31, 2020, the carrying amount of the District's cash and cash equivalents (collected bank balances) totaled \$314,897. 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, 2020, 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, 2020, investments held by the District consist of \$327,797 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, 2020 were investments held by the District of \$9,796 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. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is (NUMBER- days) (from LAMP's monthly Portfolio Holdings) as of (DATE – month-end).

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

NOTE 5—AD VALOREM TAX RECEIVABLE

At December 31, 2020, ad valorem receivable totaled \$674,825 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, 2020 are as follows:

Governmental Activities	Balance <u>01/01/20</u>	Additions	Deletions	Balance <u>12/31/20</u>
Capital Assets—Not Depreciable:				
Land	\$ 58,665	\$ -	\$ -	\$ 58,665
In progress: Truck payments	<u>760,000</u>	<u>157,750</u>	<u>(917,750)</u>	<u>-</u>
Subtotal	<u>818,665</u>	<u>157,750</u>	<u>(917,750)</u>	<u>58,665</u>
Capital Assets—Depreciable:				
Buildings & Improvements	456,767	-	-	456,767
Fire Equipment	4,600,465	919,355	(167,510)	5,352,310
Office Equipment & Furniture	<u>64,208</u>	<u>-</u>	<u>-</u>	<u>64,208</u>
Subtotal	<u>5,121,440</u>	<u>919,355</u>	<u>(167,510)</u>	<u>5,873,285</u>
Total Assets	<u>5,940,105</u>	<u>1,077,105</u>	<u>(1,085,260)</u>	<u>5,931,950</u>
Less Accumulated Depreciation:				
Buildings & Improvements	242,373	14,472	-	256,845
Fire Equipment	3,651,722	175,850	(167,510)	3,660,062
Office Equipment & Furniture	<u>51,708</u>	<u>3,318</u>	<u>-</u>	<u>55,026</u>
Total Accum. Depreciation	<u>3,945,803</u>	<u>193,640</u>	<u>(167,510)</u>	<u>3,971,933</u>
Net Capital Assets	<u>\$1,994,302</u>			<u>\$1,960,017</u>

Depreciation expense for the year ended December 31, 2020 of \$193,640 is charged to the public safety function.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7—COMPENSATED ABSENCES

As of December 31, 2020 the District had accrued leave of \$14,252 which is required to be recorded as 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.

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, 2020. Total assessed value for the District was \$74,854,514 in 2020. 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 \$13,757,070 of the assessed value in 2020. For the year ended December 31, 2020, taxes of 11.96 mills were authorized and levied on the properties and were dedicated to fire protection.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 or 25 years of service at any age are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% percent of their final-average compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100 percent.

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

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

Funding Policy - Plan members are required by state statute to contribute 10.0 percent of their annual covered salary, for wages above poverty and the Winn Parish Fire Protection District No. 3 is required to contribute at an actuarially determined rate. The rate as of 7/1/20 was 32.25 percent and as of 6/30/20 it was 27.75 percent of annual covered payroll above poverty. The contribution requirements of plan members and the Fire District are established and may be amended by state statute. The District’s combined required contributions to the System for the years ending December 31, 2020 and 2019 were \$48,308 and \$50,534 respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2020, the District reported a liability of \$363,740 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2020 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, 2020, the District’s proportion was .0525%, which was a decrease of 0.003% from its proportion

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

measured as of June 30, 2019. For the year ended December 31, 2020, the District recognized pension expense (benefit) of \$(55,785) representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2020, 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		\$ 23,272
Changes of assumptions	\$ 35,162	-
Net difference between projected and actual earnings on pension plan investments	40,057	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	128,260	20,024
Employer contributions subsequent to the measurement date	<u>18,866</u>	<u>-</u>
Totals	\$ 222,345	\$ 43,296

The District reported a total of \$18,866 as deferred outflow of resources related to pension contributions made subsequent to the plan's measurement period of June 30, 2020 which will be recognized as a reduction in net pension liability in the District's fiscal year ended December 31, 2021.

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
2021	\$ 34,470
2022	48,401
2023	47,364
2024	24,093
2025 and after	<u>5,855</u>
Total	<u>\$160,183</u>

Actuarial Methods and Assumptions—A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Actuarial Assumptions:

Investment Rate of Return	7.00% per annum-2020 7.15% per annum-2019 7.3% per annum-2018 7.4% per annum-2017 7.5% per annum-2016
Inflation Rate	2.500% per annum (2020 & 2019) 2.700% per annum-2018 2.775% per annum-2017 2.875% per annum-2016
Projected Salary Increases	14.10% in the first two years of service & 5.20% with 3 or more years of service (14.75% in the first two years of service & 4.50% after 25 years-2019)
Cost of Living Adjustments	Only those previously granted
Expected Remaining Service Lives	7 years, closed period

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

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

The estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation and the G.S. Curran & Company Consultant Average study for 2020. The consultants' average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2020.

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. Prior year's financial reports presented the long-term expected real rate of return provided by the System's investment consultant, whereas this year's pension system report presents this information for both fiscal years 2020 and 2019 from the System's actuary. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, variances, and correlation coefficients for each asset class. The actuary's method integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2020, and June 30, 2019, are summarized in the following tables:

As of June 30, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity:		
US	26.0%	5.72%
Non-US	12.0%	6.24%
Global	10.0%	6.23%
Emerging Market Debt	6.0%	8.61%
Fixed Income:		
U.S. Core Fixed Income	26.0%	1.00%
Emerging Market Debt	5.0%	3.40%
Alternatives:		
Real Estate	6.0%	4.20%
Private Equity	9.0%	10.29%
Multi-Asset Strategies:		
Global Tactical Asset Allocation	0.0%	4.22%
Risk Parity	<u>0.0%</u>	4.22%
Total	<u>100.0%</u>	

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

As of June 30, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity:		
US	21.5%	5.74%
Non-US	12.0%	6.57%
Global	10.0%	6.30%
Emerging Market Debt	5.5%	8.31%
Fixed Income:		
U.S. Core Fixed Income	26.0%	1.70%
Emerging Market Debt	5.0%	3.49%
Alternatives:		
Real Estate	6.0%	4.19%
Private Equity	4.0%	8.84%
Multi-Asset Strategies:		
Global Tactical Asset Allocation	5.0%	2.73%
Risk Parity	<u>5.0%</u>	2.73%
Total	<u>100.0%</u>	

Discount Rate—The discount rate used to measure the total pension liability was 7.00%. 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 7.0%, 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 6.0% or one percentage point higher 8.0% than the current rate as of June 30, 2020.

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Firefighters' Retirement			
System Rates	6.00%	7.00%	8.00%
Winn Parish Fire Protection			
District No. 3's Share of NPL	\$ 525,419	\$ 363,740	\$ 228,786

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020 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 \$38,873.

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:

Mark Johns	\$ 325
Gene Cain	325
John Holden	350
Brad Cooper	275
William King	350
Ronald O'Bryan	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, 2020. During the fiscal year ended December 31, 2017 the District signed a 99-year land lease with the Winn Parish Police Jury for a cost of \$1 per year which the District prepaid. The property remains in the name of the Police Jury, even at the end of the lease. The District states their intention is to have a training facility on the property.

NOTE 13—LEASES

During the year ended December 31, 2019, the District entered into a noncancelable operating lease for a copy machine. The lease began on September 10, 2019 and is for a period of 60 months with payments of \$132 per month. The future minimum rental payments are as follows:

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

2021	\$1,589
2022	1,589
2023	1,589
2024	1,190

NOTE 14—OTHER POST EMPLOYMENT BENEFITS

During the year ended December 31, 2020, the District provided no post-employment benefits other than retirement. Therefore, no disclosure for GASB No. 45 is required.

NOTE 15—PENDING LITIGATION

There were no civil suits seeking damages against the District outstanding as of December 31, 2020.

NOTE 16—SUBSEQUENT EVENTS

Management has evaluated events through April 19, 2021, 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, 2020

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Revenues:				
Property Taxes	\$ 610,000	\$ 595,101	\$ 683,089	\$ 87,988
Intergovernmental:				
2% Fire Rebate	30,000	35,360	35,360	-
Grant	10,000	6,786	6,786	-
Charges for Services	-	25,700	25,700	-
Interest	-	11,753	14,141	2,388
Miscellaneous	-	3,733	3,733	-
Total Revenues	<u>650,000</u>	<u>678,433</u>	<u>768,809</u>	<u>90,376</u>
Expenditures:				
Current—Public Safety				
Payroll	385,000	343,137	308,338	34,799
Payroll Taxes	12,000	15,783	16,297	(514)
Bank Charges	-	87	87	-
Office Expenses	7,500	5,391	5,186	205
Food/Supplies Training	5,000	1,388	1,144	244
Utilities	20,000	20,476	20,561	(85)
Uniforms	2,500	845	944	(99)
Insurance & Retirement	65,800	44,650	154,846	(110,196)
Computer Programs	-	4,255	4,255	-
Equipment & Supplies	25,000	13,594	19,632	(6,038)
Vehicle Repair & Maint.	45,000	45,083	51,891	(6,808)
Property Repair & Maint.	20,000	19,346	19,299	47
Vehicle Fuel	18,000	12,675	12,693	(18)
Lease	-	2,037	5,651	(3,614)
Legal Advertising	1,200	122	82	40
Ad/Promo/Signs	1,000	39	39	-
Accounting, Audit, Legal	21,700	24,804	24,804	-
Training & Vol. Reimburse	12,000	4,833	4,833	-
Board Per Diem	2,500	3,600	1,925	1,675
Miscellaneous	-	583	583	-
Capital Outlay	-	158,000	159,354	(1,354)
Total Expenditures	<u>644,200</u>	<u>720,728</u>	<u>812,444</u>	<u>(91,716)</u>
Excess (Deficiency) of Revenues over Expenditures	5,800	(42,295)	(43,635)	<u>(1,340)</u>
Other Financing Sources/(Uses):				
Insurance Claims	-	15,132	15,132	-

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	5,800	(27,163)	(28,503)	<u>(1,340)</u>
Fund Balance—Beginning of Year	<u>1,338,879</u>	<u>1,338,879</u>	<u>1,338,879</u>	<u>-</u>
Fund Balance—End of Year	<u>\$1,344,679</u>	<u>\$ 1,311,716</u>	<u>\$1,310,376</u>	<u>\$ (1,340)</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, 2020

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

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

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

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>
06/30/20	\$36,350	\$36,255	\$ 95	\$130,646	27.75%
06/30/19	35,540	35,540	-	134,114	26.50%
06/30/18	28,655	28,586	69	107,872	26.50%
06/30/17	19,800	19,754	46	78,234	25.25%
06/30/16	6,200	6,200	-	22,751	27.25%
06/30/15	6,709	6,709	-	22,938	29.25%

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

SUPPLEMENTARY INFORMATION

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF COMPENSATION FOR AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

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.

Mark Johns	\$ -
John Holden	370
Gene Cain	10
Brad Cooper	-
Ronald O'Bryan	-
William "Buddy" King	10

The Head of Operations for the Fire District is the Chief. During the fiscal year ended December 31, 2020, 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, 2020, are as follows.

Gross Pay	\$ 42,000
Retirement-Contributed by District	(N/A per statute)
Health Insurance-Paid by District	9,872
Required Tablet	346

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, 2020, and related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated April 19, 2021. 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.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings, I did identify certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. I consider the deficiency described in the accompanying schedule of findings as item 20-01 to be a material weakness.

(Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiency described in the accompany schedule of findings as item 20-02 to be a significant deficiency.

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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 20-02.

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

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
April 19, 2021

Concluded

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 2020

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's Report expresses an unmodified opinion on the financial statements of the Winn Parish Fire Protection District No. 3.
2. There was one material weakness noted during the audit of the financial statements.
3. There was one instance of noncompliance material to the financial statements of the Winn Parish Fire Protection District No. 3 that was disclosed during the audit.

B. FINANCIAL STATEMENTS AUDIT

Material Weakness

20-01 Adjustments to Expenditures and Revenues

Criteria

Financial statements are required to be reported in GAAP accrual basis.

Condition

Current year receivables were accrued however prior year receivables were not removed nor were liabilities properly adjusted.

Cause

Unknown

Effect

The error in not removing prior year accrual while properly including the current year caused an approximate \$405,500 overstatement of revenues. The liabilities and related expenses were understated by approximately \$97,000.

Recommendation

I recommend that the accruals be properly recorded. I noted unadjusted monthly financials being given to the board for approval; however I did not note the adjusted year end financials being given to the board for review. Another copy of the financials should be given to the board after accruals and other end of year adjustments have been made in order for them to review before the required audit.

Views of Responsible Officials

Our accountant inadvertently improperly adjusted accruals while trying to be in compliance with GAAP. We will request that the accountant make timely adjustments and send a copy of the adjusted financials, not only the unadjusted financials, to the board before the annual audit for us to review and assist in proper compliance.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF FINDINGS (continued)
YEAR ENDED DECEMBER 31, 2020

Significant Deficiency

20-02 Noncompliance with Budget Act

Criteria

Louisiana R.S. 39:1301-1315, the Budget Act, requires variances between actual and budget amounts to be within 5% favorable.

Condition

As previously mentioned, current year receivables were accrued however prior year receivables were not removed nor were liabilities properly adjusted.

Cause

Unknown

Effect

While total actual revenues for the year exceeded budgeted amounts by more than 5% variance allowed, that variance was favorable. The total actual expenses however exceeded the budgeted expenses by more than 5%. This unfavorable variance of more than 5% results in noncompliance with the Louisiana Budget Act.

Recommendation

I recommend that the accruals be properly recorded. Another copy of the financials should be given to the board after accruals and other end of year adjustments have been made in order for them to review before the required audit. This should be performed in time for the board to properly amend the budget.

Views of Responsible Officials

Our accountant inadvertently improperly adjusted accruals while trying to be in compliance with GAAP. We will request that the accountant try to make timely adjustments and send a copy of the adjusted financials, not only the unadjusted financials, to the board before the annual audit for us to review, amend the budget as necessary, and assist in proper compliance.

C. PRIOR YEAR FINDINGS

None.