

ST. LANDRY PARISH FIRE PROTECTION
DISTRICT NO. III

FINANCIAL REPORT

DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
St. Landry Parish Fire Protection District No. III
Opelousas, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities of the St. Landry Parish Fire Protection District No. III, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the St. Landry Parish Fire Protection District No. III's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the St. Landry Parish Fire Protection District No. III, as of December 31, 2021, and the respective changes in financial position, thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the St. Landry Parish Fire Protection District No. III and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation

and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the St. Landry Parish Fire Protection District No. III's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the St. Landry Parish Fire Protection District No. III's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the St. Landry Parish Fire Protection District No. III's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer pension contributions on pages 32 through 34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Landry Parish Fire Protection District No. III's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, as listed in the table of contents, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2022, on our consideration of the St. Landry Parish Fire Protection District No. III's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is

solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Landry Parish Fire Protection District No. III'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 St. Landry Parish Fire Protection District No. III's internal control over financial reporting and compliance.

Vige, Tujague & Noël

Vige, Tujague & Noël, CPA's

Eunice, Louisiana

June 1, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS
(GWFS)

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Statement of Net Position
December 31, 2021

ASSETS

Cash and equivalents	\$ 2,397,659
Investments, at cost	499,611
Receivables (net of allowance for uncollectibles):	
Ad valorem	3,216,561
State revenue sharing	169,535
Prepaid items	17,762
Capital assets, net	<u>1,533,872</u>
Total assets	<u>7,835,000</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	<u>762,159</u>
---------------------------------------	----------------

LIABILITIES

Current liabilities:	
Accounts payable	62,513
Accrued liabilities	19,323
Pension deduction payable	107,462
Lease payable - current portion	<u>151,453</u>
Total current liabilities	<u>340,751</u>
Noncurrent liabilities:	
Lease payable	156,249
Net pension liability	<u>2,127,452</u>
Total noncurrent liabilities	<u>2,283,701</u>
Total liabilities	<u>2,624,452</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u>2,084,981</u>
--------------------------------------	------------------

Net Position:

Investments in capital, net of related debt	1,226,170
Unrestricted	<u>2,661,556</u>
Total net position	<u>\$ 3,887,726</u>

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Statement of Activities
For the Year Ended December 31, 2021

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Fees, Fines, and Charges for Services</u>	<u>Capital and Operating Grants</u>	<u>Revenue and Changes in Net Assets</u>
				<u>Governmental Activities</u>
Governmental activities:				
General government				
Public safety	\$ 3,224,088	\$ -	\$ 6,500	\$ (3,217,588)
Total governmental activities	<u>\$ 3,224,088</u>	<u>\$ -</u>	<u>\$ 6,500</u>	<u>(3,217,588)</u>

General revenues:

Taxes	
Ad valorem taxes	3,349,932
Intergovernmental revenues	
State revenue sharing	169,536
Fire insurance rebate	86,473
State supplemental pay	189,817
Interest and investment earnings	12,967
Nonemployer pension contributions	171,499
Miscellaneous income	1,971
Total general revenues	<u>4,451,095</u>
Change in net position	1,233,507
Net position - December 31, 2020	<u>2,654,219</u>
Net position - December 31, 2021	<u>\$ 3,887,726</u>

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

FUND FINANCIAL STATEMENTS

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Balance Sheet
 Governmental Fund
 December 31, 2021

ASSETS

Cash	\$ 2,397,659
Investments	499,611
Receivables:	
Ad valorem	3,216,561
State revenue sharing	169,535
Prepaid items	<u>17,762</u>
 Total assets	 <u><u>\$ 6,301,128</u></u>

LIABILITIES AND FUND BALANCES

Deferred inflows of resources:	
Unavailable revenues - property taxes	<u>203,395</u>
Total deferred inflows of resources	<u>203,395</u>
 Liabilities:	
Accounts payable	62,513
Pension deduction payable	107,462
Accrued liabilities	<u>19,323</u>
 Total liabilities	 <u>189,298</u>
 Fund balances:	
Fund balances - Unassigned	<u>5,908,435</u>
 Total fund balances	 <u>5,908,435</u>
 Total liabilities and fund balances	 <u><u>\$ 6,301,128</u></u>

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2021

Total fund balance for governmental funds at December 31, 2021	\$ 5,908,435		
Total net position reported for governmental activities in the statement of net position is different because:			
The statement of net position reports receivables at their net value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.			
Property tax	203,395		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Land	\$ 42,681		
Building, net of \$803,518 accumulated depreciation	219,712		
Equipment, net of \$4,272,799 accumulated depreciation	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;">1,271,479</td> <td style="width: 40%; text-align: right; border-bottom: 1px solid black;">1,533,872</td> </tr> </table>	1,271,479	1,533,872
1,271,479	1,533,872		
Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds			
	(3,450,274)		
Lease Payable	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;">(307,702)</td> <td style="width: 40%;"></td> </tr> </table>	(307,702)	
(307,702)			
Total net position of governmental activities at December 31, 2021	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 3px double black;">\$ 3,887,726</td> <td style="width: 40%;"></td> </tr> </table>	\$ 3,887,726	
\$ 3,887,726			

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Statement of Revenues, Expenditures,
and Changes in Fund Balance - Governmental Fund
For the Year Ended December 31, 2021

Revenues:	
Taxes:	
Ad valorem	\$ 3,393,099
Intergovernmental:	
State revenue sharing	169,536
Fire insurance rebate	86,473
State supplemental pay	189,817
Interest income	13,719
Other	<u>8,471</u>
Total Revenues	<u>3,861,115</u>
Expenditures:	
Current:	
Public safety	3,036,967
Capital outlay	941,200
Payment on debt	<u>161,198</u>
Total Expenditures	<u>4,139,365</u>
Excess (deficiency) of revenues over expenditures	<u>(278,250)</u>
Other financing sources (uses):	
Proceeds from debt	<u>468,900</u>
Total other financing sources (uses)	<u>468,900</u>
Excess of revenues and other sources over expenditures and other uses	<u>190,650</u>
Fund balance, beginning	4,831,331
Prior period adjustment	<u>886,454</u>
Fund balance, beginning- as restated	<u>5,717,785</u>
Fund balance, ending	<u><u>\$ 5,908,435</u></u>

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to
 the Statement of Activities
 For the Year Ended December 31, 2021

Total net changes in fund balance at December 31, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 190,650
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds defer revenues that do not provide current financial resources. However, the statement of activities recognizes such revenues at their net realizable value when earned, regardless of when received.		
Property tax		(43,167)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 941,200	
Depreciation expense for the year ended December 31, 2021	<u>(193,864)</u>	747,336
Net effect of pension liability recognition		647,142
Acquisition of debt	(468,900)	
Less: Principal payments	<u>161,198</u>	(307,702)
Accrued interest receivable		<u>(752)</u>
Total changes in net position at December 31, 2021 per Statement of Activities		<u>\$ 1,233,507</u>

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting and reporting practices of the St. Landry Parish Fire Protection District No. III conform to generally accepted accounting principles of the United States of America as applicable to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies:

Reporting entity:

The St. Landry Parish Fire Protection District No. III is a component unit of the St. Landry Parish Police Jury. The District was established to provide fire protection for the residents of the District.

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the St. Landry Parish Fire Protection District No. III, as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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 and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods and services offered by the programs, and (b) requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Fund Financial Statement:

The District uses one fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate.

The general fund, a governmental fund type, is the general operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds.

Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as described below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statements of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues,

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Note to Financial Statements

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

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Fees and non tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Available means collectible within the current period or soon enough thereafter to pay current liabilities, usually 60 days. Those revenues susceptible to accrual are ad valorem and state revenue sharing income.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

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

Uncollectible ad valorem taxes are estimated based on prior year's history.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's revenues.

Allocation of indirect expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to these functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Use of estimates in the preparation of financial statements:

The preparation of financial statements in conformity with generally accepted principles requires 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Concentration of Risks

Concentration of risks with respect the District is subject to the conditions of the limited geographical area of the District.

Budgets:

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January 1, the Chairman submits to the Board a proposed operating budget for the ensuing year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through the passage of a resolution; amendments are also legally enacted through the passage of a resolution.
4. The budget for the general fund is adopted on a fund financial statement basis.
5. The budget for the general fund is employed as a management control device during the year.

All budget appropriations lapse at year end. Revenues may not legally fall short of budgeted amounts by more than five percent and expenditures may not legally exceed budgeted appropriations by more than five percent at the individual fund level. Actual expenditures did exceeded budgeted expenditures by greater than five percent for the year ended December 31, 2021. The District does not use encumbrance accounting.

The budget amounts disclosed in this report are as originally adopted and amended by the Board.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Cash and Cash Equivalents

Cash includes amounts in demand deposit, interest – bearing demand, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the municipality may deposit funds in demand deposits, interest – bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Interest-bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

Compensated absences:

Employees of the District who have been employed for one year earn 18 days of vacation pay. After ten years of service, they earn one additional day of vacation pay for each year worked up to the maximum of 30 days. Neither vacation days nor sick leave can be carried over to future years; therefore, no accruals for compensated absences are necessary.

Prepaid Items:

Payments made for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items.

Allowances for Uncollectibles

All receivables that historically represent uncollectible accounts are shown net of an allowance for uncollectible. The allowance for uncollectible accounts in the general fund is estimated at \$49,048.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activity column in the government-wide financial statements. All purchased fixed assets are valued at cost or estimated historical cost. The amounts of estimated costs are immaterial to these financial statements. Donated fixed assets are stated at their fair market value on the date donated.

The District maintains a threshold level of \$500 or more for capitalizing capital assets.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Depreciation of all exhaustible capital assets is recorded as an allocated 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 of depreciation. The range of estimated useful lives by type of assets is as follows:

Buildings	40 years
Equipment	5 years
Vehicles	7 years

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. There is currently no long-term debt owed by the District.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Equity Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the 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.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the fire district's board – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the district's "intent" to be used for specific purposes but are neither restricted nor committed. The board and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed,

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

assigned, or unassigned fund balances are available, the District considers the amount to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

Revenues, Expenditures, and Expenses

Program Revenues

Program revenues consist of fees, fines, and charges for services related to governmental fund activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character

In the fund financial statements, governmental funds report expenditures of financial resources.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB required a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Note 2. Cash and Interest-Bearing Deposits

For reporting purposes, cash and investments include cash, demand deposits, time deposits, and government backed mortgage securities. The District may invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks having their principal office in the State of Louisiana, or any other federally insured investment. The District may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

The cash and cash equivalents of the St. Landry Parish Fire Protection District No. III are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand. Further Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

Bank account balances at December 31, 2021, totaled \$2,285,867, and of this amount \$250,000 was secured by FDIC Insurance. The remaining amount of \$2,035,867 was secured with pledged securities from First National Bankers Bank.

Note 3. Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District in May or June and are actually billed to the taxpayers in the latter part of the fiscal year. Billed taxes become delinquent on January 1 of the following year and January and February of the ensuing year. The following is a summary of the levied ad valorem taxes:

General corporate purpose:

Operations and maintenance 16.20

All accounts and property tax receivables are shown net of any allowance for uncollectible accounts. Property taxes receivable for the governmental fund types, which have been remitted within 60 days subsequent to year-end, are considered measurable and available and recognized as revenues. All other property taxes are offset by deferred property tax inflows of resources and, accordingly, have not been recorded as revenue.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Note 4. Accounting Pronouncements

The Government Accounting Standards Board (GASB) has issued the following Statements which will become effective in futures years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement, as amended are effective for fiscal years beginning after June 15, 2021, with early application permitted. Management has not yet determined the effects of this statement on the financial statements.

Note 5. Evaluation of Subsequent Events

The District has evaluated subsequent events through June 1, 2022, the date which the financial statements were available to be issued.

Note 6. Receivables

Receivables at December 31, 2021, consist of the following:

	General Fund
Ad valorem	\$ 3,270,331
State revenue sharing	<u>169,535</u>
Gross Receivables	3,439,866
Less: Allowance for uncollectibles	<u>(53,770)</u>
Net total receivables	<u>\$ 3,386,096</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Note 7. Capital Assets

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

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2021</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 42,681	\$ -	\$ -	\$ 42,681
Other capital assets:				
Buildings	1,023,230	-	-	1,023,230
Equipment	4,603,078	941,200	-	5,544,278
Totals	<u>5,668,989</u>	<u>941,200</u>	<u>-</u>	<u>6,610,189</u>
Less accumulated depreciation				
Buildings	777,818	25,700	-	803,518
Equipment	4,104,635	168,164	-	4,272,799
Total accumulated depreciation	<u>4,882,453</u>	<u>193,864</u>	<u>-</u>	<u>5,076,317</u>
Governmental activities, capital assets, net	<u>\$ 786,536</u>	<u>\$ 747,336</u>	<u>\$ -</u>	<u>\$ 1,533,872</u>

Note 8. Pension Plan

Substantially all of the employees (34) of the St. Landry Parish Fire Protection District No. III are members of the Firefighters Retirement System.

Firefighters' Retirement System

The Firefighters' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

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

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

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

Retirement Benefits

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

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

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

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

Disability Benefits

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Death Benefits

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

Deferred Retirement Option Plan

After completing 20 years of credible service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option Plan

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

Cost of Living Adjustments (COLAs)

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase in the form of "X x (A+B)," where "X" is any amount up to \$1 per month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member or retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase.

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The District is required to contribute 32.25 percent of covered employees' salaries from January through June and 33.75 percent of covered employees' salaries from July through December. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contribution to the System for the years ending December 31, 2021 and 2020 were \$508,795 and \$448,138, respectively, equal to the required contributions for the year.

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 Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809-1752, or by calling (225) 925-4060.

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

At December 31, 2021, the District reported a liability of \$2,127,452 for its proportionate share of the net pension liability for the FRS plan. 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 FRS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was 0.600322%, which was a decrease of 0.0000906% from its proportion measured as of June 30, 2020.

Non-employer contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue. The District recognized \$171,499 of non-employer contribution revenue.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 30,360	\$ (191,050)
Changes in assumptions	461,004	-
Net difference between projected and actual earnings on pension plan investments	-	(1,291,062)
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,256	(602,869)
Employer contributions subsequent to measurement date	265,539	-
Total	<u>\$ 762,159</u>	<u>\$ (2,084,981)</u>

The District reported a total of \$265,539 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2021, which will be recognized as a reduction in net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended June 30:	<u>FRS</u>
2022	(377,825)
2023	(393,817)
2024	(421,225)
2025	(415,689)
2026	38,283
2027	29,646
Total	<u>\$ (1,540,627)</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Actuarial Assumptions

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

	FRS
Valuation date	June 30, 2021
Actuarial cost method	Entry age normal cost
Expected remaining service life	7 years, closed period
Investment rate of return	6.9% per annum
Inflation rate	2.700% per annum
Salary increases	Vary from 14.75% in the first two years of service to 4.75% after 25 years of service
Cost of living adjustments	Only those previously granted

The mortality rate assumptions were updated in fiscal year 2021 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, 2021 valuation, assumptions for mortality rates were based on the following:

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

The 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 2021. The consultants' average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long term

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long term standard deviation and then reduced the assumption by the long term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2021.

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 report presents this information for both fiscal years 2021 and 2020 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, 2021 and June 30, 2020, are summarized in the following tables:

	Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	27.50%	5.86%
	Non-U.S. Equity	11.50%	6.44%
	Global Equity	10.00%	6.40%
	Emerging Market Equity	7.00%	8.64%
Fixed Income	U.S. Core Fixed Income	18.00%	0.97%
	U.S. Tips	3.00%	0.40%
	Emerging Market Debt	5.00%	2.75%
Multi-Asset Strategies	Global Tactical Asset Allocation	0.00%	4.17%
	Risk Parity	0.00%	4.17%
Alternatives	Real Estate	6.00%	5.31%
	Real Assets	3.00%	0.00%
	Private Equity	9.00%	9.53%

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed 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 PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

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 table presents the District’s proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the District’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

FRS	1% Decrease	Current Discount	1% Increase
Rates	5.90%	6.90%	7.90%
NPL	\$ 4,081,361	\$ 2,127,452	\$ 497,914

The components of the net position liability of the System’s employers as of December 31, 2021 and 2020, are as follows:

	2021 Plan A	2020 Plan A
Total Pension Liability	\$ 16,095,738	\$ 15,216,146
Plan Fiduciary Net Position	(13,968,286)	(11,048,704)
Total Net Pension Liability	\$ 2,127,452	\$ 4,167,442
Plan Fiduciary Net Position as a % of Total Pension Liability	86.78%	72.61%

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

Note 9. Contingent Liability

As of December 31, 2021, the District is not aware of any violation with respect to environmental issues, which may arise from holdings the District has in fixed assets.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Note 10. On-Behalf Payments of Salaries and Fringe Benefits

The State of Louisiana paid the District's firefighters supplemental pay of \$189,817. These amounts are included in the accompanying financial statements as revenues and expenditures.

Note 11. Lease Purchase Agreement

On August 5, 2021, the District entered into a three-year lease purchase agreement with Leasing 2, Inc., to finance the purchase of a new Spartan FC-94 3000-gallon pumper/tanker truck, in the amount of \$468,900. Future payments on the lease purchase agreement are as follows:

	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 161,198	\$ 151,453	\$ 9,745
2023	161,198	156,249	4,949
	<u>\$ 322,396</u>	<u>\$ 307,702</u>	<u>\$ 14,694</u>

Note 12. Prior Period Adjustment

A prior period adjustment in the amount of \$886,454 was made to the governmental fund financial statements to restate the balance in the deferred inflows- property tax account on the balance sheet and the advalorem revenue account on the statement of revenues, expenditures, and changes in fund balance. There was no effect on the government wide financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Budgetary Basis) and Actual - General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes:				
Ad valorem	\$ 3,258,005	\$ 3,227,555	\$ 3,393,099	\$ 165,544
Intergovernmental	452,817	446,911	445,826	(1,085)
Interest income	8,000	5,550	13,719	8,169
Other	-	1,836	8,471	6,635
Total revenues	<u>3,718,822</u>	<u>3,681,852</u>	<u>3,861,115</u>	<u>179,263</u>
Expenditures:				
Current:				
Public safety	3,485,909	3,054,832	3,036,967	17,865
Capital outlay	42,000	635,114	941,200	(306,086)
Payment on debt	-	-	161,198	(161,198)
Total expenditures	<u>3,527,909</u>	<u>3,689,946</u>	<u>4,139,365</u>	<u>(449,419)</u>
Excess (deficiency) of revenues over expenditures	<u>190,913</u>	<u>(8,094)</u>	<u>(278,250)</u>	<u>(270,156)</u>
Other financing sources (uses):				
Proceeds from debt	-	-	468,900	468,900
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>468,900</u>	<u>468,900</u>
Excess of revenues and other sources over expenditures and other uses	<u>190,913</u>	<u>(8,094)</u>	<u>190,650</u>	<u>198,744</u>
Fund balance, beginning	4,645,827	4,831,331	4,831,331	-
Prior period adjustment	-	-	886,454	886,454
Fund balance, beginning- as restated	<u>4,645,827</u>	<u>4,831,331</u>	<u>5,717,785</u>	<u>886,454</u>
Fund balance, ending	<u>\$ 4,836,740</u>	<u>\$ 4,823,237</u>	<u>\$ 5,908,435</u>	<u>\$ 1,085,198</u>

See notes to required supplementary information.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
 Budgetary Comparison Schedule - General Fund
 For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Current:				
Public safety -				
Salaries and related benefits	\$ 2,366,817	\$ 2,164,617	\$ 2,167,882	\$ (3,265)
Civil Service Board	2,500	1,200	1,200	-
Per diem	8,280	11,590	11,587	3
Telephone and utilities	51,500	54,150	54,664	(514)
Insurance	596,000	444,150	408,573	35,577
Uniforms and cleaning	14,800	15,150	15,130	20
Equipment maintenance and supplies	165,000	151,800	163,105	(11,305)
Building maintenance and supplies	45,000	27,500	27,007	493
Professional fees	29,200	28,200	25,257	2,943
Office supplies	7,000	9,750	12,594	(2,844)
Pension expense	103,512	103,330	107,462	(4,132)
Election expense	50,000	22,945	22,943	2
Other	46,300	20,450	19,563	887
Capital outlays	42,000	635,114	941,200	(306,086)
Payment on debt	-	-	161,198	(161,198)
Total expenditures	<u>\$ 3,527,909</u>	<u>\$ 3,689,946</u>	<u>\$ 4,139,365</u>	<u>\$ (449,419)</u>

See notes to required supplementary information.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2021

	Fiscal Year	Employer Proportionate Share 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 It's Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
FRS	2021	0.600322	\$ 2,127,452	\$ 1,541,228	138.04%	86.78%
FRS	2020	0.601228	\$ 4,167,442	\$ 1,493,075	279.12%	72.61%
FRS	2019	0.603328	\$ 3,777,986	\$ 1,463,010	258.23%	73.96%
FRS	2018	0.0661177	\$ 3,803,142	\$ 1,497,454	253.97%	74.76%
FRS	2017	0.784511	\$ 4,496,699	\$ 1,701,159	264.33%	73.55%
FRS	2016	0.839793	\$ 5,493,005	\$ 1,897,458	289.49%	68.15%
FRS	2015	0.832434	\$ 4,492,740	\$ 1,888,151	237.94%	72.44%
FRS	2014	0.825201	\$ 3,672,073	\$ 1,644,495	223.29%	76.01%

This schedule will contain ten years of historical information once such information becomes available.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Schedule of Employer's Pension Contribution
For the Year Ended December 31, 2021

	Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
FRS	2021	\$ 508,848	\$ 508,848	\$ -	\$ 1,541,228	33.02%
FRS	2020	\$ 448,138	\$ 448,138	\$ -	\$ 1,493,075	30.01%
FRS	2019	\$ 397,136	\$ 397,136	\$ -	\$ 1,463,010	27.15%
FRS	2018	\$ 396,825	\$ 396,825	\$ -	\$ 1,497,454	26.50%
FRS	2017	\$ 439,798	\$ 439,798	\$ -	\$ 1,701,159	25.85%
FRS	2016	\$ 498,021	\$ 498,021	\$ -	\$ 1,897,458	26.25%
FRS	2015	\$ 533,349	\$ 533,349	\$ -	\$ 1,888,151	28.25%
FRS	2014	\$ 472,860	\$ 472,860	\$ -	\$ 1,644,495	28.75%

This schedule will contain ten years of historical information once such information becomes available.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Required Supplementary Information

(1) Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

(2) Budgetary Practices

The District prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The annual budget for the General Fund is prepared in accordance with the basis of accounting utilized by that fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

(3) Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations. The following individual fund had actual expenditures in excess of appropriations for the year ended December 31, 2021.

	Original Budget	Final Budget	Actual	Excess
Total Expenditures	<u>\$ 3,527,909</u>	<u>\$ 3,689,946</u>	<u>\$ 4,139,365</u>	<u>\$ (449,419)</u>

(4) Pension Plans

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plans.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
St. Landry Parish Fire Protection District No. III
Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of St. Landry Parish Fire Protection District No. III, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise St. Landry Parish Fire Protection District No. III's basic financial statements, and have issued our report thereon dated June 1, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Landry Parish Fire Protection District No. III's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Landry Parish Fire Protection District No. III's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Landry Parish Fire Protection District No. III's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

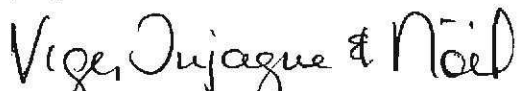
As part of obtaining reasonable assurance about whether St. Landry Parish Fire Protection District No. III's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs, as item 2021-001.

St. Landry Parish Fire Protection District No. III's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the St. Landry Parish Fire Protection District No. III's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The St. Landry Parish Fire Protection District No. III's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Vige, Tujague & Noël, CPA's
Eunice, Louisiana
June 1, 2022

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Schedule of Findings and Responses
Year Ended December 31, 2021

We have audited the financial statements of St. Landry Parish Fire Protection District No. III as of and for the year ended December 31, 2021 and have issued our report dated June 1, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2021 resulted in an unmodified opinion.

Section I Summary of Auditors' Reports

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

Internal Control

Material Weaknesses Yes No

Significant Deficiencies Yes None reported

Compliance

Compliance Material to Financial Statements Yes No

No separate management letter was issued.

Section II Financial Statement Findings

2021-001 Budget

Condition: Total actual expenditures exceed total budgeted expenditures by greater than 5%.

Criteria: The Local Government Budget Act (R.S. 396:1301-1314) states that total budgeted revenues should not exceed total actual revenues by greater than 5% and total actual expenditures should not exceed total budgeted expenditures by greater than 5%. When this occurs, the budget should be amended prior to year end.

Cause: The budget was not properly amended to account for the total cost of capital assets acquired through a lease purchase agreement.

Effect: Failure to properly amend the budget resulted in a variance greater than 5% of budgeted expenditures and resulted in noncompliance with budget laws.

Recommendation: We recommend that the Fire District make the necessary amendments to the budget prior to year end.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Schedule of Findings and Responses (continued)
Year Ended December 31, 2021

Response: The Fire District will make the necessary amendments to the budget prior to year end.

This is a repeat finding reported in the prior year as 2020-001.

Section III Internal Control and Compliance Material to Federal Awards

There were no federal awards for the year ended December 31, 2021.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Schedule of Prior Year Findings
Year Ended December 31, 2021

I Internal Control and Compliance Material to the Financial Statements

2020-001 Budget

Condition: Total budgeted revenues exceeded total actual revenues by greater than 5%.

Criteria: The Local Government Budget Act (R.S. 396:1301-1314) states that total budgeted revenues should not exceed total actual revenues by greater than 5% and total actual expenditures should not exceed total budgeted expenditures by greater than 5%. When this occurs, the budget should be amended prior to year end.

Cause: The budget was not properly amended to account for the accrual of ad valorem tax.

Effect: Failure to properly amend the budget resulted in a variance greater than 5% of budgeted revenues and resulted in noncompliance with budget laws.

Recommendation: We recommend that the Fire District make the necessary amendments to the budget prior to year end for the accrual of ad valorem tax receipts.

Response: The Fire District will make the necessary amendments to the budget prior to year end for accrual of revenues.

Status: This finding is repeated as 2021-001.

II Internal Control and Compliance Material to Federal Awards

The prior year's report did not include any federal awards.

III Management Letter

The prior year's report did not include a management letter.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Schedule of Per Diems
For the Year Ended December 31, 2021

	<u>Per Diem</u>	<u>Mileage</u>	<u>Total</u>
Greg Doucet	\$ 240	\$ 15	\$ 255
Charles Lefleur	1,040	90	1,130
Charles Breaux	-	27	27
Richard Joubert	-	38	38
Willie Pickens	960	16	976
Ricky D Ducote	560	47	607
Lachanna McCartney	800	35	835
Adam Bordelon	-	4	4
Donald Robinson, Sr.	1,040	86	1,126
Luke R Soileau	-	4,373	4,373
Wilfred Kinnerson	960	143	1,103
Ryan E Chachere	1,040	73	1,113
Total	<u>\$ 6,640</u>	<u>\$ 4,947</u>	<u>\$ 11,587</u>

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The board members receive \$80 for each regular or special meeting they attend and \$30 for each committee meeting they attend.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2021

Agency Head Name: Matthew Rabalais, Chief
Service Period: 12 months

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 95,498
State Supplemental Pay	6,000
Benefits - retirement	33,500
Benefits - health insurance	12,964
Total	<u>\$ 147,962</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

MANAGEMENT'S CORRECTIVE ACTION PLAN

Year Ended December 31, 2021

Section I. Internal Control and Compliance Material to the Financial Statements

2021-001 Budget

Condition: Total actual expenditures exceed total budgeted expenditures by greater than 5%.

Recommendation: We recommend that the Fire District make the necessary amendments to the budget prior to year end.

Response: The Fire District will make the necessary amendments to the budget prior to year end.

Section II. Internal Control and Compliance Material to Federal Awards

The District did not receive any federal awards in the current year.

Section III. Management Letter

This year's report did not include a management letter.

Responsible Party:

Donald Robinson, Jr.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
STATEWIDE AGREED-UPON PROCEDURES REPORT
YEAR ENDED DECEMBER 31, 2021

VIGE, TUJAGUE  NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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P. O. BOX 1006
EUNICE, LOUISIANA 70535

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Management and Board of Commissioners of the St. Landry Parish Fire Protection District No. III and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. St. Landry Parish Fire Protection District No. III's management is responsible for those C/C areas identified in the SAUPs.

St. Landry Parish Fire Protection District No. III has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and do address the functions noted above.

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.

Written policies and procedures were obtained and do address the functions noted above.

- c) **Disbursements**, including processing, reviewing, and approving.

Written policies and procedures were obtained and do address the functions noted above.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The entity does not have written policies and procedures addressing receipts of revenue.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Written policies and procedures were obtained and do address the functions noted above.

- 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.

Written policies and procedures were obtained and do address the functions noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policies and procedures were obtained and do address the functions noted above.

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

The entity does not have written policies and procedures addressing debt service.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application

of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The entity does not have written policies and procedures addressing information technology disaster recovery/business continuity.

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

Written policies and procedures were obtained and do address the functions noted above.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes do include monthly budget-to-actual comparisons.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Obtained the prior year audit report and observed that the unassigned fund balance was a positive balance.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.

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

Bank reconciliations include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each reconciliation.

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

There are no reconciling items that were outstanding for more than 12 months from the statement closing date.

Collections (excluding electronic funds transfers)

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

Obtained a listing of deposit sites from management and management provided representation that the listing is complete.

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

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

The chief is the only employee that collects cash.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Employees responsible for collecting cash are responsible for preparing/making bank deposits but all receipts are in the form of an advalorem check.

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

Employees responsible for collecting cash are not responsible for posting collections to the general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

The employee responsible for collecting cash is not responsible for reconciling cash collections to the general ledger.

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

Employees who have access to cash are covered by the bond or insurance policy for theft.

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

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

There are no receipts given out. All checks are received by mail.

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

Traced receipts or collection documentation to the deposit slip with no exceptions.

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

Traced the deposit slip total to the actual deposit per the bank statement with no exceptions.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Deposits selected were not made within one business day of receipt at the collection location. We were unable to determine the number of days from receipt to deposit. All revenue receipts are in the form of a check received from the Sheriff for ad valorem collections. The chief collects all checks and makes one deposit each month.

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

Traced the actual deposits per the bank statement to the general ledger noting no exceptions.

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

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

Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.

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

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

Obtained procedures and observed that job duties are properly segregated regarding the functions noted above.

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

Obtained procedures and observed that job duties are properly segregated regarding the functions noted above.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The fee accountant is responsible for processing payments can also add vendors; however, all checks must be signed by a board member.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Obtained procedures and observed that job duties are properly segregated regarding the functions noted above.

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

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

Observed that the disbursements matched the related original itemized invoice and the supporting documentation indicates deliverables included on the invoice were received.

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

Observed that the disbursement documentation included evidence of segregation of duties tested.

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

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

Obtained from management a listing of all active credit cards and fuel cards for the fiscal period and the numbers and names of the person who maintained possession of cards, and management provided representation that the listing is complete.

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

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [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.]

Observed that there is evidence that the monthly statement and supporting documentation was reviewed and approved by someone other than the authorized cardholder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.
Observed that there were no late fees or finance charges assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

Observed that approved reimbursement rates were no more than those establishments by the State of Louisiana or the U.S. General Services Administration.

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

Observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

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

Observed that each reimbursement is supported by documentation of the business/public purpose.

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

Observed that each reimbursement was reviewed and approved by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Observed that the contracts were not required to be bid in accordance with the Louisiana Public Bid Law.

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

Observed that the contracts were approved by the board.

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

Observed that no contracts were amended.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

Payroll and Personnel

- 16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained a listing of employees and officials employed during the fiscal period, and management provided representation that the listing is complete. Randomly selected 5 employees and agreed paid salaries to authorized salaries/pay rates in the personnel files.

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

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

Observed that all selected employees documented their daily attendance and leave.

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

Observed that supervisors approved the attendance and leave of the selected employees.

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

Observed that leave accrued and taken during the pay period is reflected in the cumulative leave records.

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

Observed that the rate paid to employees agrees to the authorized salary/pay rate found within the personnel file.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Obtained a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. There were no exceptions noted in the termination payments of the randomly selected employees.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Management provided representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

Ethics

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

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

The employees selected for testing did have documentation to demonstrate that the required ethics training was completed.

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

There were no changes made to the entity's ethics policy during the fiscal year.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the

listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Management provided a listing of debt obtained during the fiscal period and we determined that State Bond Commission approval was not required.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions noted from the sample selected.

Fraud Notice

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

Management has asserted that the Entity did not have any misappropriations of public funds or assets during the reporting period.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Observed that the entity has posted on its premises, the required notice.

Information Technology Disaster Recovery/Business Continuity

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

One of the five employees selected for testing did not have documentation to demonstrate that the required sexual harassment training was complete.

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

Observed that the entity has posted its sexual harassment policy and complaint procedure on the entity's premises.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

Observed that the report was not prepared for the fiscal period.

- a) Number and percentage of public servants in the agency who have completed the training requirements;

Observed that the report was not prepared for the fiscal period.

- b) Number of sexual harassment complaints received by the agency;

Observed that the report was not prepared for the fiscal period.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

Observed that the report was not prepared for the fiscal period.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Observed that the report was not prepared for the fiscal period.

e) Amount of time it took to resolve each complaint.

Observed that the report was not prepared for the fiscal period.

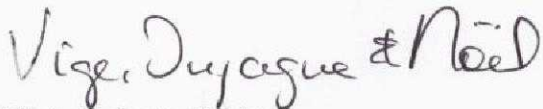
Management's Response

Management of the St. Landry Parish Fire Protection District No. III concurs with the exceptions and is working to address the deficiencies identified.

We were engaged by St. Landry Parish Fire Protection District No. III to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of St. Landry Parish Fire Protection District No. III and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Vige, Tujague & Noel
Eunice, Louisiana
June 1, 2022