

**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE**

**VENTRESS, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2023**

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OF THE PARISH OF POINTE COUPEE  
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DECEMBER 31, 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana, (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire Protection District No. 3 of the Parish Pointe Coupee, Louisiana as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Fire Protection District No. 3 of the Parish Pointe Coupee, Louisiana 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### ***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 Fire Protection District No. 3 of the Parish Pointe Coupee, Louisiana'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 Fire Protection District No. 3 of the Parish Pointe Coupee, Louisiana'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 management's discussion and analysis and budgetary comparison information pages 4 through 9 and 28 through 29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The taxable property valuations and the schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The taxable property valuations and the schedule of compensation, benefits and other payments to agency head, are the

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

responsibility of management and were derived from and relate 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, this information is fairly stated, in all material respects, in relation to the 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 May 20, 2024, on our consideration of Fire Protection District No. 3 of the Parish of Pointe Coupee'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 Fire Protection District No. 3 of the Parish of Pointe Coupee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
May 20, 2024

## **MANAGEMENT'S DISUSSION AND ANALYSIS**

**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

As management of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana, we are pleased to provide an overview of our financial activities for the year ended December 31, 2023. The intended purpose of the Management's Discussion and Analysis (MD&A) is to provide an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions. The MD&A provides an easily readable summary of operating results and reasons for changes that will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, adherence to budget, service levels, limitations, significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior year data in this analysis, we will be drawing upon information from last year's audited financial report.

**FINANCIAL HIGHLIGHTS**

- The District's net position decreased by \$30,270 from \$4,111,832 in 2022 to \$4,081,562 in 2023.
- Ad valorem taxes decreased from \$474,371 in 2022 to \$ 471,984 in 2023.
- Cash and cash equivalents decreased by \$211,290 for the year ended December 31, 2023.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other required supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The Government-Wide Financial Statements, presented on pages 11 and 12, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The District's Government-Wide Financial Statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District's sole operation of fire protection is classified as governmental activities.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund which is categorized as a governmental fund.

Governmental funds, presented on pages 13 through 15, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget. A budgetary comparison schedule has been provided for the District's operations.

**Notes to the Financial Statements**

The notes, presented on pages 16 through 27, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning the District's budgetary control, on page 28. A tabulation of taxable property is presented on page 30 as supplementary to assist the reader in understanding the economic growth of the District and the effect it has on operations and fire protection ratings.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At the end of the most recent year, the assets of the District exceeded its liabilities by \$4,081,562.

The District's net position is mainly composed of \$1,357,272 investment in capital assets (land, buildings, vehicles and equipment, etc.). The District uses these capital assets to provide fire protection services to residents and businesses that encompass the area from center of False River to the northern boundary line of West Baton Rouge Parish along the southern boundary of Pointe Coupee Parish to a point on the boundary line of Pointe Coupee and West Feliciana Parishes and in the center of the Mississippi River at a point southwest of Fancy Point Towhead. Consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position, \$2,724,290 may be used to meet the District's future operations.

**SUMMARY OF NET POSITION**

	<b>2023</b>	<b>2022</b>
Current and other assets	\$ 2,753,860	\$ 2,861,515
Capital assets	1,357,272	1,550,537
Total assets	4,111,132	4,412,052
Current and other liabilities	29,570	300,220
Noncurrent liabilities	-	-
Total liabilities	29,570	300,220
Net position -		
Net invested in capital assets	1,357,272	1,550,537
Restricted	-	-
Unrestricted	2,724,290	2,561,295
Total net position	4,081,562	4,111,832

The District's total revenues increased by \$50,488 from \$803,986 in 2022 to \$854,474 in 2023. Total expenses increased by \$320,739 from \$564,005 in 2022 to \$884,744 in 2023.

**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Changes in Net Position		
	Governmental Activities	
	2023	2022
Revenues:		
Taxes	\$ 811,943	\$ 747,269
Intergovernmental revenues	36,795	42,643
Interest income and other revenue	5,736	14,074
Total Revenues	854,474	803,986
Expenses:		
Operating	656,147	337,066
Depreciation	228,597	226,939
Total Expenses	884,744	564,005
Change in Net Position	(30,270)	239,981
Beginning Net Position	4,111,832	3,871,851
Ending Net Position	\$ 4,081,562	\$ 4,111,832

**GOVERNMENTAL FUND FINANCIAL ANALYSIS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

The fund balance of the District increased by \$162,995 during the current year.

**BUDGETARY HIGHLIGHTS**

The District's annual budget is the legally adopted expenditure control document of the District. A budgetary comparison statement is required and can be found on page 29. This statement compares the original adopted budget, the budget if amended throughout the year, and the actual expenditures prepared on a budgetary basis.

**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Actual revenues of \$854,474 exceeded budgeted revenues of \$638,963 by \$215,511, while budgeted expenditures of \$954,272 exceeded actual expenditures of \$691,479 by \$262,793.

**CAPITAL ASSETS**

At December 31, 2023 and 2022, the District has \$1,357,272, and \$1,550,537 respectively, invested in a broad range of capital assets, including land, buildings, vehicles, and equipment. Further detail on capital assets is presented in Note C on page 24.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The District serves a population estimated at over 6,200 and is a rural unincorporated area. The District maintains an IRC rating of 6 and is operated by volunteer firemen and firewomen. The District obtains funding from Ad Valorem and Sales Taxes. They operated the 2023 budget on \$369,884 in Ad Valorem and \$188,449 in sales tax. Due to the large rural area, population, ratings and requirements by the State Fire Marshall, these items made it necessary for management to consider future budget projections. Such long-range projections assist management in evaluating net acquisitions or replacements to keep the fire insurance rating at a level that will return fire protection and an economic benefit to its taxpayers.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. If you have questions about this report or need additional financial information, contact Ruth Rodgers of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana at (225) 718-2431.

**BASIC FINANCIAL STATEMENTS**

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,201,243
Receivables:	
Ad valorem taxes	473,527
Sales taxes	39,564
State revenue sharing	6,105
Prepaid insurance	32,287
Deposits	1,136
Capital assets (net of accumulated depreciation):	
Land	256,402
Buildings and Improvements	809,399
Vehicles	165,631
Machinery and equipment	125,838
<b>TOTAL ASSETS</b>	<b>\$ 4,111,132</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 5,454
Payroll tax liability	5,876
Amount due retirement system	18,240
<b>TOTAL LIABILITIES</b>	<b>29,570</b>
<b>NET POSITION</b>	
Invested in capital assets, net	1,357,272
Unrestricted	2,724,290
<b>TOTAL NET POSITION</b>	<b>\$ 4,081,562</b>

The accompanying notes are an integral part of this statement.

EXHIBIT B

FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2023

	<u>Program Revenues</u>			
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net Governmental Activities</u>
Governmental Activities:				
Public safety	884,744	-	-	(884,744)
Total Governmental Activities	<u>\$ 884,744</u>	<u>-</u>	<u>-</u>	<u>(884,744)</u>
General Revenues:				
Taxes:				
				471,984
				238,566
				101,393
				36,795
				<u>5,736</u>
				854,474
				(30,270)
				<u>4,111,832</u>
				<u>\$ 4,081,562</u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUND - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>General Fund</u>	<u>Total</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,201,243	\$ 2,201,243
Receivables:		
Ad valorem taxes	473,527	473,527
Sales taxes	39,564	39,564
State revenue sharing	6,105	6,105
Prepaid insurance	32,287	32,287
Deposits	1,134	1,134
	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<b>\$ 2,753,860</b>	<b>\$ 2,753,860</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 5,454	\$ 5,454
Payroll tax liability	5,876	5,876
Amount due to retirement system	18,240	18,240
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<b>29,570</b>	<b>29,570</b>
 <b>Fund Balance:</b>		
Nonspendable: Prepaid	32,287	32,287
Unassigned	2,692,003	2,692,003
	<u>                    </u>	<u>                    </u>
<b>Total Fund Balances</b>	<b>\$ 2,724,290</b>	<b>\$ 2,724,290</b>

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in government activities are not financial resources, and therefore, are not reported in the funds.	<u>1,357,272</u>
<b>Net position of governmental activities</b>	<b><u>\$ 4,081,562</u></b>

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

REVENUES	General	Total Governmental Funds
Taxes		
Ad valorem	\$ 471,984	\$ 471,984
Sales taxes	238,566	238,566
Solar Pilot taxes	101,393	101,393
Intergovernmental revenues		
Fire insurance rebate	30,692	30,692
State revenue sharing	6,103	6,103
Miscellaneous revenues		
Other income	5,736	5,736
<b>TOTAL REVENUES</b>	<u>854,474</u>	<u>854,474</u>
<b>EXPENDITURES</b>		
Bank charges	524	524
Board compensation	975	975
Dispatchers supplemental pay	7,200	7,200
Dues and subscriptions	13,439	13,439
Emergency 911 fee	3,909	3,909
Equipment repairs and maintenance	22,587	22,587
Firefighting equipment supplies	11,081	11,081
Fire prevention hydrants	3,825	3,825
Insurance	56,268	56,268
Lawn maintenance	5,760	5,760
Lease	3,951	3,951
Miscellaneous	331	331
Office	10,950	10,950
Postage and printing	1,055	1,055
Professional fees	39,468	39,468
Salaries	276,470	276,470
Payroll taxes	21,292	21,292
Station repairs	16,618	16,618
Security	1,366	1,366
Secretary fees	600	600
Supplies and small tools	12,657	12,657
Tax collector fees	18,239	18,239
Telephone	24,326	24,326
Training and fire prevention	13,666	13,666
Uniforms and protective gear	4,487	4,487
Utilities	19,051	19,051
Vehicle fuel and maintenance	66,052	66,052
Capital outlays		
Machinery and equipment	35,332	35,332
<b>TOTAL EXPENDITURES</b>	<u>691,479</u>	<u>691,479</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>162,995</u>	<u>162,995</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXP. AND OTHER USES</b>	162,995	162,995
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>2,561,295</u>	<u>2,561,295</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 2,724,290</u>	<u>\$ 2,724,290</u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Amounts reported for governmental activities are different because:**

<b>Net change in fund balances - total governmental funds (page 14)</b>	<b>\$</b>	<b>162,995</b>
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<p>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. This is the amount by which capital outlay (\$35,332) does not exceed depreciation (\$228,598).</p>		(193,265)
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<b>Change in net position of governmental activities (page 12)</b>	<b>\$</b>	<b>(30,270)</b>
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The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Fire Protection District No. 3 of the Parish of Pointe Coupee (the "District") was created by a resolution of the Pointe Coupee Parish Police Jury in 1981 under the Authority of Louisiana Revised Statute 40:1491. The District operates under a commission form of government and provides fire protection services to all the territory situated within the limits of Pointe Coupee Election Districts 4 and 5 and portions of the areas of District 6 and 9. The Election Districts were constituted in 1981, and it was created in accordance with the authority of LRS 40:1494, and Article VI, Section 19 of the Constitution of the State of Louisiana for the year 1974 and other constitutional and statutory authority supplemental thereto and Local Services Agreements entered into by this Police Jury.

**Reporting Entity**

As stated previously, the District was created by a resolution of the Pointe Coupee Parish Police Jury in 1981 and is a political subdivision of the Pointe Coupee Parish Police Jury.

In accordance with LRS 40:1494, the District is managed by a board of five commissioners. Five commissioners are appointed by the Pointe Coupee Parish Police Jury. These five commissioners then appoint one to act as chairperson.

In accordance with the requirements of Statement No. 61, *The Financial Reporting Entity: Omnibus, an Amendment of GASB Statement No. 14 and Statement No. 34*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The financial statements present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

**Fund Accounting**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped in the financial statements in this report as follows:

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

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The previous reporting model emphasized fund types (the total of all funds of a particular type), and the focus is either the District as a whole or major individual funds (within the fund financial statements) in the reporting model as defined by GASB Statement No. 34.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, (2) grants and contributions that are restricted to meet the operational requirements of a particular function or activity, and (3) grants and contributions that are restricted to meet the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, intergovernmental revenues, interest income, etc.).

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provided guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement No. 4 identifies net position as a residual of all other elements presented in a statement of financial position. This Statement amended the net asset reporting requirement in Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote A – Net Position and Fund Balance*.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Fire District also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Separate fund based financial statements are provided for governmental funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental fund is the general fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the combining section of the statements.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The grant revenue availability period is generally considered to be one year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Ad valorem tax revenues in the General Fund are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if susceptible to accrual criteria are met.

The following funds are being used by the District in its governmental funds:

Major Fund - General

The *General Fund* accounts for the District's primary public safety service and is the primary operating unit of the District.

GASB No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained, and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Position.

**Assets, Liabilities, Net Position, and Fund Balances**

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include demand deposits and money market accounts. Under state law, the District may deposit funds in demand deposits, money market accounts, or time deposits with a bank organized under Louisiana law, or of any other state of the United States, or under the laws of the United States.

State statutes authorize the District to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. The District does not hold any investments as of December 31, 2023.

Cash deposits are reported at carrying amount which reasonably estimates fair value.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Receivables

Receivables consist of all revenues earned at year-end and not yet received.

Inventories

Inventories for supplies are not considered material and are recorded as expenses when purchased.

Capital Assets and Depreciation

The District's property and equipment with useful lives of more than one year are capitalized at historical cost or estimated historical cost. The District's policy has set the capitalization threshold for reporting capital assets at \$500. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Uniforms and protective gear which are susceptible to excessive wear and tear and fire code regulations are expensed when incurred.

The cost and applicable accumulated depreciation are removed from the respective accounts when capital assets are disposed, and the resulting gain or loss is recorded in operations.

Capital assets are depreciated using the straight-line method over the estimated useful lives, in years, for depreciable assets as follows:

Buildings	39 years
Machinery and equipment	5 years
Vehicle and transportation equipment	5 - 10 years

Bad Debts

Uncollectible account receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2023, there were no amounts considered to be uncollectible.

Long-term Liabilities

In the government-wide financial statements, long-term debt is reported as a liability in the applicable governmental activities statement of net position.

In the government funds financial statements, the face amount of debt is reported as other financing sources. Interest and principal payments are reported as debt service expenditures.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Net Position

In the Statement of Net Position, the difference between the District's assets and liabilities is recorded as net position. The three components of net position are as follows:

- Net invested in capital assets – This category consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances on any bond, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – This category consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted net position – This category represents all net position that does not meet the definition of "restricted" or "net invested in capital assets."

Fund Balance

In the fund financial statements, fund balance of the governmental funds is classified as follows:

- Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – Amounts that can only be spent for specific purposes because of constitutional provisions or enabling legislation or because constraints are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed – Amounts that can be used only for specific purposes determined by a formal action of the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the District.
- Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes.
- Unassigned – All other spendable amounts.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

As of December 31, 2023, fund balances were designated as nonspendable and unassigned.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will *not* be recognized as an outflow of resources (expenses) until that future period(s).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will *not* be recognized as an inflow of resources (revenue) until that future period(s).

**Use of Estimates**

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

**Sales Tax**

Fire Protection District No. 3 of the Parish of Pointe Coupee accounts for the collection of the 2% Policy Jury Sales Tax from the Pointe Coupee Parish Tax Collector. The District receives 0.05% of the 2% Police Jury Sales Tax. For the year ended December 31, 2023, the amount of sales tax received by the District was \$238,566.

**Budgetary Information**

**Policy and Practice**

The Chairman submits an annual budget for the General Fund by Fire Station to the Board in accordance with the Louisiana Local Government Budget Act. The budget is presented to the Board for review, and public hearings are held to address the proposed appropriations. Once approved, and adopted by the Board, the Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

**Basis of Budgeting**

The General Fund's appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source, and expenditures are budgeted by function. Budget revisions at this level are subject to final review by the Board. The legal level of control is by function within the General Fund. Expenditures may not exceed appropriations at this level. Revisions to the budget were made throughout the year.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The General Fund budget is prepared on the modified accrual basis. The budget and actual financial statement is reported on this basis. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

**New Accounting Pronouncements Implemented**

**GASB Statement 96, Subscription-Based Information Technology Arrangements:** This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement for government end users. This Statement is effective for fiscal years beginning after June 15, 2022. We considered the implementation of GASB Statement 96, and determined that it would not be material to the financial statements taken as a whole for the year ended December 31, 2023.

**GASB Statement 91, Conduit Debt Obligations:** The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement is effect for reporting periods beginning with the fiscal year that ends December 31, 2022. We considered the implementation of GASB Statement 91, and determined that it would have no effect on the financial statements taken as a whole for the year ended December 31, 2023.

**GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements:** The primary object of this statement is to improve financial reporting by addressing issues related to these arrangements. This statement is effective for reporting periods beginning after June 15, 2022. We considered the implementation of GASB Statement 94, and determined that it would have no effect on the financial statements taken as a whole for the year ended December 31, 2023.

**NOTE B – CASH AND CASH EQUIVALENTS**

At year end, the District's carrying amount of deposits was \$2,201,243 and the bank balance was \$2,218,585. At December 31, 2023, the status of deposited funds and collateralized balances are as follows:

	<u>Bank Balances 12/31/23</u>	<u>FDIC Insurance</u>	<u>Balances Uninsured</u>
Cash	\$ 2,218,585	\$ 250,000	\$ 1,968,585
Uncollateralized--			
Securities pledged and held by custodial banks in the name of fiscal agent banks, at fair market value, at December 31, 2023			-
Excess of FDIC insurance and pledged securities over cash at December 31, 2023			<u>\$ (1,968,585)</u>

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank.

**NOTE C – CAPITAL ASSETS**

A summary of changes in general fixed assets is as follows:

	Balance 1/1/2023	Additions	Reclassification/ Deletions	Balance 12/31/2023
Land	\$ 256,402	\$ -	\$ -	\$ 256,402
Buildings and Improvements	1,063,201	-	-	1,063,201
Construction in progress - bldg	-	-	-	-
Vehicles	2,003,812	-	-	2,003,812
Machinery and Equipment	473,186	35,332	-	508,518
<b>Total Capital Assets</b>	<b>\$ 3,796,601</b>	<b>\$ 35,332</b>	<b>\$ -</b>	<b>\$ 3,831,933</b>

	Accumulated Depreciation Balance 1/1/2023	Additions	Deletions	Accumulated Depreciation Balance 12/31/2023	Capital Assets Net of Accumulated Depreciation
Land	\$ -	\$ -	\$ -	\$ -	\$ 256,403
Buildings and Improvements	225,495	28,307	-	253,802	809,399
Construction in progress - bldg	-	-	-	-	-
Vehicles	1,668,997	169,184	-	1,838,181	165,631
Machinery and Equipment	351,573	31,107	-	382,680	125,838
<b>Total Accumulated Depreciation</b>	<b>\$ 2,246,065</b>	<b>\$ 228,598</b>	<b>\$ -</b>	<b>\$ 2,474,663</b>	<b>\$ 1,357,271</b>

Depreciation for the year ended December 31, 2023 was \$228,598.

**NOTE D- AD VALOREM TAXES**

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings are to be assessed at 10% of "use" value; and all other property to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax District. The assessor is required to re-appraise all property every four years.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE D – AD VALOREM TAXES (CONTINUED)**

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Parish. By agreement, the Sheriff receives a commission of approximately 4.23%.

The millage rates are adopted in late October. The taxes are levied and notices are mailed out in mid-November of the year. All taxes are due by December 31<sup>st</sup> of the year and are delinquent on January 1<sup>st</sup> of the next year, which is also the lien date.

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date of December 31<sup>st</sup>, the taxes bear interest at one and one-fourth percent (1.25%) per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year in which they are levied and become due. The majority of the year's taxes are usually collected in November and December of the year. Any amounts not collected at December 31<sup>st</sup> are shown as accounts receivable.

For the year ended December 31, 2023, taxes of \$473,527 were levied on property with assessed valuations totaling \$79,317,750 at the rate of 5.97 mills for the following purposes: (1) maintaining and operating the District's fire protection facilities, (2) purchasing fire trucks and other firefighting equipment, (3) paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service, and (4) paying the cost of acquiring, improving, or constructing fire protection facilities of the Fire Protection District, constituting works of public improvement, title to which shall be in the public.

**NOTE E – PENSION PLAN AND RETIREMENT COMMITMENTS**

The District has no pension plan or retirement commitments.

**NOTE F – RISK RETENTION**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee medical insurance; and natural disasters. The District carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. There were no significant reductions in insurance coverage in 2023 from coverage in the prior year. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

**NOTE G – LITIGATION AND CLAIMS**

There were no judgments, claims, or other similar contingencies pending against the District at December 31, 2023.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE H – COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members from Fire District #3 is as follows:

Nicolas Victoria	\$	-
Robert Allen		-
George Landry		-
Martin Frey		-
Larry Harlaux		975
	\$	975

**NOTE I – RELATED PARTIES**

The Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana is a component unit of the Pointe Coupee Parish Police Jury, and may enter into transactions with related parties, including parish council members and the parish administrator. From knowledge obtained during the audit, no related party transactions have occurred between parish council members or the parish administrator of Pointe Coupee Parish.

**NOTE J – LEASES**

In September of 2022, the Fire District entered into one lease for a copy machine. The current year expense was \$3,951 for the copier. The lease payments for 2024 and 2025 are \$2,820 and \$1,880 respectively. We considered the implementation of GASB Statement 87, Leases, and determined that it would not be material to the financial statements taken as a whole for the year ended December 31, 2023. We will examine the impact of this standard on the Fire District's future lease agreements.

**NOTE K – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED**

The statements which might impact the Fire District are as follows:

GASB Statement No. 100, Accounting Changes and Error Corrections – This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE K – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED  
(continued)**

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, Compensated Absences - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Management is currently assessing the impact that the implementation of these pronouncements will have on the basic financial statements, if any.

**NOTE L – SUBSEQUENT EVENTS**

The Fire District has evaluated subsequent events through the date that the financial statements were available to be issued, May 20, 2024. No events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Taxes				
Ad valorem	\$ 442,784	\$ 369,884	\$ 471,984	\$ 102,100
Sales taxes	188,449	188,449	238,566	50,117
Solar pilot taxes	-	70,000	101,393	31,393
Intergovernmental revenues				
Fire insurance rebate	-	-	30,692	30,692
State revenue sharing	6,767	10,630	6,103	(4,527)
Miscellaneous revenues				
Other	-	-	5,736	5,736
<b>TOTAL REVENUES</b>	<u>638,000</u>	<u>638,963</u>	<u>854,474</u>	<u>215,511</u>
<b>EXPENDITURES</b>				
Administrative	70,200	-	-	-
Bank charges	-	300	524	(224)
Board compensation	-	1,800	975	825
Dispatcher's Supplemental Pay	-	7,200	7,200	-
Dues and subscriptions	-	15,000	13,439	1,561
Emergency 911 Fee	-	38,000	3,909	34,091
Equipment repairs and maintenance	25,000	25,000	22,587	2,413
Firefighting equipment supplies	-	-	11,081	(11,081)
Fire prevention hydrants	-	51,500	3,825	47,675
Insurance	58,000	58,000	56,268	1,732
Lawn maintenance	-	6,000	5,760	240
Lease	-	10,000	3,951	6,049
Miscellaneous	7,140	2,140	331	1,809
Office	-	6,500	10,950	(4,450)
Postage and printing	-	1,300	1,055	245
Professional fees	-	24,200	39,468	(15,268)
Salaries	105,000	220,000	276,470	(56,470)
Payroll taxes	-	40,000	21,292	18,708
Security	-	5,000	1,366	3,634
Secretary fees	-	-	600	(600)
Station repairs	27,500	20,000	16,618	3,382
Supplies	15,000	10,000	12,657	(2,657)
Sheriffs pension	-	18,832	18,239	593
Telephone	-	18,000	24,326	(6,326)
Training and fire prevention	8,500	15,500	13,666	1,834
Uniforms and protective gear	-	5,000	4,487	513
Utilities	42,000	21,000	19,051	1,949
Vehicle fuel and maintenance	35,000	54,000	66,052	(12,052)
Capital outlays				
Machinery and equipment	330,000	280,000	35,332	244,668
<b>TOTAL EXPENDITURES</b>	<u>723,340</u>	<u>954,272</u>	<u>691,479</u>	<u>262,793</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	(85,340)	(315,309)	162,995	478,304
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXP. AND OTHER USES</b>	(85,340)	(315,309)	162,995	478,304
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	2,561,295	2,561,295	2,561,295	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 2,475,955</u>	<u>\$ 2,245,986</u>	<u>\$ 2,724,290</u>	<u>\$ 478,304</u>

**SUPPLEMENTARY INFORMATION AND  
REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE  
VENTRESS, LOUISIANA  
TAXABLE PROPERTY VALUATIONS  
(UNAUDITED)**

<u>Year</u>	<u>Mills Levied</u>	<u>Assessed Value</u>	<u>Homestead Exemption</u>	<u>Tax to be Paid by Owner</u>	<u>Tax to be Paid by State</u>	<u>Total Tax</u>
2011	5.97	54,902,277	10,606,475	327,769	63,325	391,094
2012	5.97	64,313,283	10,625,120	383,954	63,436	447,390
2013	5.97	70,948,994	10,687,820	423,569	63,811	487,380
2014	5.97	68,744,739	10,679,740	410,410	63,762	474,172
2015	5.97	70,838,014	10,676,070	422,910	63,740	486,647
2016	5.97	73,408,016	11,124,921	438,249	66,420	504,669
2017	5.97	72,002,416	11,219,331	429,855	66,981	496,835
2018	5.97	71,769,636	11,279,409	428,465	67,339	495,804
2019	5.97	73,136,658	11,384,989	436,626	67,970	504,596
2020	5.97	78,322,660	11,721,832	467,586	69,981	537,567
2021	5.97	79,727,530	11,878,032	475,974	70,914	546,887
2022	5.97	79,760,930	12,102,972	476,173	72,256	548,429
2023	5.97	79,317,750	12,233,172	473,527	73,033	546,560

FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2023

Agency Head: Don Williams

<u>Purpose</u>	<u>Amount</u>
Meals	-
Salary	33,000
Training	-
Dues	-
Total	<u>\$ 33,000</u>

Agency Head: Philip Larimore

<u>Purpose</u>	<u>Amount</u>
Meals	-
Salary	18,700
Training	-
Dues	-
Total	<u>\$ 18,700</u>

# BAXLEY AND ASSOCIATES, LLC

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**SCHEDULE 3**

Board of Commissioners  
Fire Protection District No. 3 of the  
Parish of Pointe Coupee  
Ventress, Louisiana

## **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**

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, each major fund, and the aggregate remaining fund information of Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 20, 2024.

### Report of Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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.

**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**

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 certain deficiencies in internal control, described in the accompanying schedule of findings and responses as 2023-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as 2023-002 .

District's Response to Findings

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

Purpose of this Report

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

*Barley & Associates, LLC*

Plaquemine, Louisiana  
May 20, 2024

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana.
2. One significant deficiency relating to the audit of the financial statements is reported in the Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of noncompliance material to the financial statements of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana was found.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2023-001 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH GAAP**

Condition:

The District does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a repeat finding.

Criteria:

Year-end adjusting journal entries were not properly posted to the financial statements to ensure that the statements were prepared in accordance with generally accepted accounting principles.

Effect:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2023

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Prudent management requires that the potential benefit from an internal control must exceed its cost. It, therefore, may not be practical to correct all the deficiencies in auditor reports under SAS 112. In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

Management's Response:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies in auditor reports under SAS 112. In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

**2023-002 PROPER COLLATERALIZATION**

Condition:

Cash deposits were not insured or collateralized at Regions Bank. This is a repeat finding.

Criteria:

Louisiana Revised Statute 39:1225 requires public funds to be insured by Federal Deposit Insurance Corporation or by pledging securities owned by the bank.

Effect:

The Fire District does not meet the requirement of Louisiana Revised Statute 39:1225.

Recommendation:

Management should consult with the bank to ensure that pledges are made to cover the full balance of bank balances, and periodically review the pledges especially during peak times.

Management's Response:

PCFD #3 has insurance to cover the old account and when that account was hacked a new account was opened. The insurance/collateralization was forgotten to be transferred over. This has been rectified and the new account is now covered through BNY Mellon.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**2022-001 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE  
WITH GAAP**

Condition:

The District does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Prudent management requires that the potential benefit from an internal control must exceed its cost. It, therefore, may not be practical to correct all the deficiencies in auditor reports under SAS 112. In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

Current Status:

In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

**2022-002 PROPER COLLATERALIZATION**

Condition:

Cash deposits were not insured or collateralized at Regions Bank.

Recommendation:

Management should consult with the bank to ensure that pledges are made to cover the full balance of bank balances, and periodically review the pledges especially during peak times.

Current Status:

This was not corrected in the current year.

**2022-003 BUDGET VARIANCE**

Condition:

Actual expenditures exceeded budgeted expenditures by 26%.

Recommendation:

We recommend that management implement procedures to monitor budget to actual Comparisons and amend budgets as necessary to comply with the Louisiana Local Budget Act.

Current Status:

This was corrected in the current year.

FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**2022-004 PUBLIC BID LAW**

Condition:

The District purchased a new fire truck in 2022. There were no quotes taken or public bids.

Recommendation:

We recommend that the Fire District follow the legal guidelines of the Louisiana Compliance Questionnaire.

Current Status:

This was corrected in the current year.

**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

# BAXLEY AND ASSOCIATES, LLC

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To the Board of Commissioners  
Fire Protection District No. 3  
of the Parish of Pointe Coupee and  
the Louisiana Legislative Auditors  
Ventress, Louisiana

## INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed Upon Procedures (SAUPs) for the fiscal period January 1, 2023, through December 31, 2023. The Fire Protection District No.3 of the Parish of Pointe Coupee Commission’s management is responsible for those C/C areas identified in the SAUPs.

Fire Protection District No. 3 of the Parish of Pointe Coupee has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPS for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### 1) *Written Policies and Procedures*

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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.
  - b) **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/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).
- 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 rates of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, purchase 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).
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exceptions: Yes, through our review of policies and procedures, we determined that some areas lacked sufficient documentation. Those areas included budgeting, purchasing, contracting, credit cards, travel, ethics, debt service, information technology and sexual harassment.

## 2) Board or Finance Committee

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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
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Exceptions: Yes, Prior year audit findings were not mentioned in the minutes and were not corrected in the current year.

## 3) Bank Reconciliations

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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:
  - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

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

Exceptions: Yes, there was no evidence of initials or dates that the bank reconciliation was prepared within two months of closing date on the statement and no initials of board approval of the bank reconciliation within one month of the date the reconciliation was prepared.

#### **4) Collections (excluding electronic funds transfers)**

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- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

Exceptions: No exceptions were noted.

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

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- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - b) At least two employees are involved in processing and approving payments to vendors;
  - 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;
  - 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; and
  - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
  - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation

- indicates that deliverables included on the invoice were received by the entity, and
- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Exceptions: No exceptions were noted.

#### **6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and

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

Exceptions: Yes, there is no evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved by someone other than the authorized card holder. Also, there were two missing invoices/receipts that did not match the credit card statement, and there were several meal receipts that did not include the names of the participants.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that 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](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
  - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions: No exceptions were noted.

## **8) Contracts**

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were

made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

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

Exceptions: No exceptions were noted.

## **9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Exceptions: No exceptions were noted.

## **10) Ethics**

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as Required by R.S. 42:1170.

Exceptions: No exceptions were noted.

### **11) Debt Service**

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Exceptions: No exceptions were noted.

### **12) Fraud Notice**

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

Exceptions: No exceptions were noted.

### **13) Information Technology Disaster Recovery/Business Continuity**

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

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows: hired before June 9, 2020 - completed the training; and hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

#### **14) Prevention of Sexual Harassment**

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
  - i. Number and percentage of public servants in the agency who have completed the training requirements;

- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Exceptions: Yes, a sexual harassment report was not prepared for 2023.

We were engaged by Fire Protection District No.3 of the Parish of Pointe Coupee 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 Fire Protection District No.3 of the Parish of Pointe Coupee 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.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
May 20, 2024

**Fire Protection District No. 3  
of the Parish of Pointe Coupee**

**Management's Response to Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2023**

Management's Response to Items:

1. The Chief and the Administrative Secretary along with the other officers of the Department will sit down and revisit the policies and procedures on how to correct any insufficient documentation for budgeting, purchasing, credit cards, travel, ethics, debt service, information technology and sexual harassment. The policies and procedures will be revised as needed to suit this department.
2. The Board of Directors has their own secretary and this issue was addressed and will be corrected for next meeting with the Auditor going forth.
3. Each Board member is given a copy of PCFD#3's financials each month. Signatures will be obtained on one copy and returned to the District to be kept on file for audit purposes. A cover letter will be sent to the Board secretary to have completed.
6. Each credit card will be reviewed by the Chief and the Administrative Assistant. A newer system is being researched on credit card spending. A new policy will be implemented and enforced on how to use the credit cards. All meals must have a training schedule attached.
14. A policy was put into place for all Contract Fire Fighters and Volunteers to complete annual Sexual Harassment training. This is set up for the month of January of every year. A report will be completed and filed if necessary and will be placed in a public viewing area of the Fire Department.