

CATAHOULA PARISH
FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2018

WITH
INDEPENDENT ACCOUNTANT'S REVIEW REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

**CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE**

**Annual Financial Statements
As of and for the Year Ended December 31, 2018
With Supplementary Information Schedules**

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CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE

Annual Financial Statements
As of and for the Year Ended December 31, 2018
With Supplementary Information Schedules

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Catahoula Parish Fire Protection District No. 4
Sandy Lake

Report on the Financial Statements

We have reviewed the accompanying financial statements of governmental activities, the major fund, and the aggregate remaining fund information of Catahoula Parish Fire Protection District No. 4, a component unit of the Catahoula Parish Police Jury, Harrisonburg, Louisiana, as of and for the year ended December 31, 2018, which collectively comprise the Catahoula Fire Protection District No. 4's basic financial statements, as listed in the table of contents, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information is presented for the purposes of additional analysis and, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted the Budgetary Comparison Schedule that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Other Supplementary Information

The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head and the Schedule of Per Diem Paid to Board Members is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. We have not audited or reviewed such information, and we do not express an opinion, a conclusion, nor provide any assurance on it.



Natchez, Mississippi
March 7, 2022

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Our discussion and analysis of the Fire Protection District No. 4 of Catahoula Parish's (the District) financial performance provides an overview of the financial activities as of and for the year ended December 31, 2018. Please read in conjunction with the basic financial statements and the accompanying notes to the financial statements.

The Management's Discussion and Analysis is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 issued in June 1999.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the activities as a whole and present a longer-term view of the District's finances. The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds.

Our accountant has provided limited assurance in the accountant's review report that they are not aware of any material modifications that should be made to the accompany financial statements. The accountant, regarding the Required Supplemental Information and the Supplemental Information, is providing varying degrees of assurance. A user of this report should read the Accountant's Review Report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

One of the most important questions asked about finances is "Is the District, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information of the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Net Position and changes in them. You can think of Net Position—the difference between assets and liabilities—as one way to measure the financial health or financial position. Over time, increases or decreases in Net Position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the overall health of the District.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by State laws.

**CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

The District uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (report in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations, liabilities exceeded assets by \$45,933 (Net Position).
- Total Net Position is comprised of the following:
 - Investment in capital assets of \$(108,057), including cost of office equipment and furniture, net of accumulated depreciation and related debt.
 - Unrestricted Net Position of \$62,111, representing the portion available to maintain the continuing obligations to citizens and creditors.
 - Restricted Net Position of \$13, which represents the cash for debt service.
- The governmental funds reported a total ending fund balance of \$92,691. Of this amount, \$13 was reserved for debt service and the rest, \$92,678, was unreserved. This compares to the prior year ending fund balance of \$70,821, showing a decrease of \$8,129 during the current year.
- Total spending for all general government activities was \$215,294 for the year, which was \$45,115 more than the program revenues for these activities, which totaled \$170,179.

The Statement of Net Position and the Statement of Activities report only one type of activity—governmental activities. All of the basic governmental services are reported as this type. Property taxes finance most of these activities.

FINANCIAL ANALYSIS AS A WHOLE

The District's Net Position reduced by \$45,115 as a result of this year's operations. Restricted Net Position—the part of Net Position that cannot be used to finance day-to-day operations due to constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the decrease this year. The balance in Net Position represents the accumulated results of all past years' operations. It means that, if we had to pay off all of our bills today, including all of our noncapital liabilities, we would be \$45,933 short.

**CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

FINANCIAL ANALYSIS AS A WHOLE (continued)

The District's total revenues for the year ended December 31, 2018, were \$170,179. The total cost of all government programs and services was \$215,292, with no new programs added this year. The following tables reflect the condensed statements of Net Position and statement of activities of 2018 and 2017:

**Statement of Net Position
(in thousands)**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 81	\$ 101
Capital assets	204	260
Other noncurrent assets	13	-
Total assets	<u>\$ 298</u>	<u>\$ 361</u>
 Total liabilities	 <u>\$ 344</u>	 <u>\$ 80</u>
 Net position		
Capital assets	\$ (108)	\$ 230
Unrestricted	49	51
Restricted	13	-
Total net position	<u>\$ (46)</u>	<u>\$ 281</u>

**Statement of Net Position
(in thousands)**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Program revenues:		
Donations and fees	\$ -	\$ 52
General revenues	170	134
Total revenues	<u>\$ 170</u>	<u>\$ 186</u>
 Expenses:		
General government	<u>\$ 215</u>	<u>\$ 239</u>
Changes in net position	<u>\$ (45)</u>	<u>\$ (53)</u>
Net position, beginning of year	\$ 281	\$ 334
Prior period adjustment	(282)	-
Net position, beginning of year, restated	<u>\$ (1)</u>	<u>\$ 334</u>
 Net position end of year	 <u>\$ (46)</u>	 <u>\$ 281</u>

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

As we noted earlier, the District uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the District is being accountable for the resources provided, but may also give more insight into the overall financial health.

**CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

As the District completed the year, its governmental funds reported a combined fund balance of \$62,692. This reflects a decrease of \$8,129 from last year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District was unable to provide a budget for the 2018 fiscal year.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2018, was \$204,550.

This year there was \$13,374 in additions to capital assets.

The District adopted a capitalization policy during the year whereby only furniture and equipment over \$50 would be capitalized. More detailed information about the capital assets is presented in Note 5 of the financial statements.

DEBT

At year-end, the District had outstanding bond debt of \$28,000, outstanding short term operating debt of \$39,000 and outstanding capital leases of \$275,607.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Taking all factors into consideration, the District's general fund balance is expected to decrease by the close of 2019.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report, or requests for additional information, may be directed to President Ethan House, Fire District No. 4, 2335 Highway 923, Jonesville, Louisiana 71343, phone number (318) 339-1305.

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
STATEMENT OF NET POSITION
DECEMBER 31, 2018**ASSETS**

Current assets:

Cash and cash equivalents	\$	6,191
Accounts receivable		<u>87,342</u>
Total current assets	\$	<u>93,533</u>

Noncurrent assets:

Cash and cash equivalents – restricted	\$	13
Land		<u>27,000</u>
Other capital assets		<u>177,550</u>
Total noncurrent assets	\$	<u>204,563</u>

Total assets \$ 298,096

LIABILITIES

Current liabilities:

Accounts payable	\$	1,422
Note payable		<u>39,000</u>
Capital leases payable, current portion		<u>30,720</u>
Bonds payable, current portion		<u>21,000</u>
Total current liabilities	\$	<u>92,142</u>

Long-term liabilities:

Capital leases payable, long-term portion	\$	244,887
Bonds payable, long-term portion		<u>7,000</u>
Total long-term liabilities	\$	<u>251,887</u>

Total liabilities \$ 344,029

NET POSITION

Invested in capital assets, net of related debt	\$	(108,057)
Unrestricted		<u>62,111</u>
Restricted for debt service		<u>13</u>
Total net position	\$	<u>(45,933)</u>

The accompanying notes are an integral part of this financial statement.

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018GENERAL REVENUES

Ad valorem taxes	\$	117,182
State revenue sharing		6,168
Interest earned		6
State insurance rebate/fee		7,061
Miscellaneous income		<u>39,762</u>
Total general revenue	\$	<u>170,179</u>

EXPENDITURES

General government:		
Contract services	\$	14,200
Board per diem		6,200
Training		2,618
Insurance		18,973
Utilities and telephone		7,384
Machinery and equipment		25,384
Office supplies		5,930
Operating supplies		12,730
Fraud loss		15,000
Interest and fiscal charges		38,194
Depreciation		<u>68,681</u>
Total expenditures	\$	<u>215,294</u>
Change in net position	\$	(45,115)
Net position, beginning of year		<u>281,111</u>
Prior period adjustment	\$	(281,929)
Net position, beginning of year, as restated		<u>(818)</u>
Net position, end of year	\$	<u>(45,933)</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
COMBINED BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash in bank	\$ 6,191	\$ 13	\$ 6,204
Receivables:			
Ad valorem tax	83,230	-	83,230
State insurance rebate	<u>4,112</u>	<u>-</u>	<u>4,112</u>
Total assets	<u>\$ 93,533</u>	<u>\$ 13</u>	<u>\$ 93,546</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	<u>\$ 855</u>	<u>\$ -</u>	<u>\$ 855</u>
Total liabilities	<u>\$ 855</u>	<u>\$ -</u>	<u>\$ 855</u>
Fund balances:			
Assigned for debt service	\$ -	\$ 13	\$ 13
Unassigned	<u>92,678</u>	<u>-</u>	<u>92,678</u>
Total fund balances	<u>\$ 92,678</u>	<u>\$ 13</u>	<u>\$ 92,691</u>
Total liabilities and fund balances	<u>\$ 93,533</u>	<u>\$ 13</u>	<u>\$ 93,546</u>

The accompanying notes are an integral part of this financial statement.

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

Total Fund Balances for Governmental Funds (Statement C)	\$	92,691
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Cost of assets	\$ 1,300,003	
Accumulated depreciation	<u>(1,095,453)</u>	204,550
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund liabilities.		
Bonds payable	\$ (28,000)	
Capital leases payable	(275,606)	
Notes payable	(39,000)	
Accrued interest payable	<u>(568)</u>	<u>(343,174)</u>
Total Net Position of Governmental Activities (Statement A)	\$	<u>(45,933)</u>

The accompanying notes are an integral part of this financial statement.

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Ad valorem taxes	\$ 117,182	\$ -	\$ 117,182
State revenue sharing	6,168	-	6,168
Interest income	6	-	6
State insurance rebate	7,061	-	7,061
Miscellaneous	<u>39,762</u>	-	<u>39,762</u>
Total revenues	<u>\$ 170,179</u>	<u>\$ -</u>	<u>\$ 170,179</u>
<u>EXPENDITURES</u>			
Current:			
Contract services	\$ 14,200	\$ -	\$ 14,200
Per diem paid Board	6,200	-	6,200
Training	2,618	-	2,618
Insurance	18,973	-	18,973
Utilities and telephone	7,384	-	7,384
Repairs and maintenance	25,384	-	25,384
Office supplies and expense	5,930	-	5,930
Operating expense	12,730	-	12,730
Fraud loss	15,000	-	15,000
Capital outlay	13,373	-	13,373
Debt service:			
Principal	56,825	21,000	77,825
Interest and fiscal charges	<u>36,314</u>	<u>1,880</u>	<u>38,194</u>
Total expenditures	<u>\$ 214,931</u>	<u>\$ 22,880</u>	<u>\$ 237,811</u>
Deficiency of revenues over expenditures	<u>\$ (44,752)</u>	<u>\$ (22,880)</u>	<u>\$ (67,632)</u>
Other financing sources (uses):			
Operating transfers in	\$ -	\$ 22,575	\$ 22,575
Operating transfers out	(22,575)	-	(22,575)
Loan proceeds	<u>59,503</u>	-	<u>59,503</u>
Total other financing sources (uses)	<u>\$ 36,928</u>	<u>\$ 22,575</u>	<u>\$ 59,503</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ (7,824)	\$ (305)	\$ (8,129)
Fund balance, beginning of year	<u>70,503</u>	<u>318</u>	<u>70,821</u>
Fund balance, end of year	<u>\$ 62,679</u>	<u>\$ 13</u>	<u>\$ 62,692</u>

The accompanying notes are an integral part of this financial statement.

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Net Changes in Fund Balance – Governmental Fund (Statement E) \$ (8,129)

Amounts reported for governmental activity in the statement of activity is different because:

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 depreciation exceeded capital outlays in the current period:

Capital outlay	\$ 13,373	
Depreciation expense	<u>(68,681)</u>	(55,308)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued. The details of these differences in the treatment of long-term debt and related items is as follows:

Issuance of long-term debt	\$ (59,503)	
Long-term debt payment	<u>77,825</u>	<u>18,322</u>

Change in Net Position per Statement of Activities (Statement B) \$ (45,115)

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

INTRODUCTION

The Catahoula Parish Fire Protection District No. 4 (the District) was created by the Catahoula Parish Police Jury on September 22, 2003, by adopting an ordinance ratifying the creation of the District. The District is a political subdivision governed by the laws of the State of Louisiana and is a component unit of the Catahoula Parish Police Jury.

The accounting and reporting policies of the District conform to the generally accepted accounting principles (GAAP) as applicable to governmental units except as noted elsewhere in this report. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statement – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June 1999.

B. Reporting Entity

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

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

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

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Reporting Entity (continuing)

2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury could be provided with specific financial benefit or could be responsible for specific financial burdens, the District was determined to be a component unit of the Catahoula Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The fund balances are classified into five possible categories which focus on the constraints of spending. The categories are nonspendable, restricted, committed, assigned, and unassigned. The following is a description of the District's funds:

- General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those that are required to be accounted for in another fund.
- Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term obligation principal, interest, and related costs.
- Capital Project Fund - The Capital Project Fund is used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds.

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

Fund Financial Statements

The amounts reflected in the Balance Sheet – Governmental Funds (Statement C) and the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E) are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the Government-Wide Financial Statements. These adjustments are summarized in the financial Statements D and F.

The amounts reflected in the fund financial statements use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both *measurable* and *available*). *Measurable* means the amount of the transaction can be determined, and *available* means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. The District considers all revenues *available* if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

E. Budgetary Practice

Operating budgets of proposed expenditures and revenues were adopted for the General Fund. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. All budgets are adopted consistent with generally accepted accounting principles (GAAP).

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

1. Formal budgetary integration is employed as a management control device for the District's General Fund. The budget is adopted on a modified accrual basis of accounting.
2. The District approves all budget line items.
3. Unused appropriations for all budgetary funds lapse at the end of the year.
4. The budget amounts shown in the financial statement are initial and final authorized amounts as revised during the year.

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in all demand deposits, interest-bearing demand deposits, and time deposits with original maturities of 90 days or less from the date of acquisition.

G. Investments

If the cash deposits have original maturities greater than 90 days, they are classified as investments. Investments are stated at cost or amortized cost.

H. Capital Assets

Capital assets are capitalized at historical cost or estimated cost, if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$50 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position.

Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and equipment	5-25 years
Property improvements	10-50 years

I. Compensated Absences

Currently, there are no employees and all services are provided on a volunteer basis.

J. Restricted Net Position

For government-wide Statement of Net Position, Net Position is reported as restricted when constraints place on net asset use are either:

1. Externally imposed by creditors (such as covenants), grantors, contributors, or laws or regulation of other governments.
2. Imposed by law through constitutional provisions or enabling legislation.

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

L. 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 and disclosure of 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.

M. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of Net Position. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2018, the District had cash and cash equivalents (book balances) totaling \$6,204 as follows:

Demand deposits including interest-bearing demand deposits	\$ 6,204
Time deposits	<u>-</u>
Total	<u>\$ 6,204</u>

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

At December 31, 2018, the District had \$7,122 in deposits (collected bank balances). These deposits are secured from risk by \$7,122 of federal deposit insurance (Category 1).

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within that category. Deposits of the District are secured with \$250,000 of insurance through FDIC.

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - TAXES RECEIVABLE

On November 15, 2003, an election was held to authorize a five mills ad valorem tax on each dollar of assessed valuation on all property subject to such taxation within Catahoula Parish for 10 years, beginning with the year 2004, for the purpose of constructing, maintaining, and operating facilities for the benefit of the District. Also, tax payers authorized the District to annually levy and collect unlimited ad valorem taxes sufficient to pay bond holders.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

For the year ended December 31, 2018, taxes were levied on property in Catahoula Parish and were dedicated to the District as follows:

	Taxes Levied at December 31, 2018
3.50 mills	\$ 22,114
10.00 mills	63,240
Total	\$ 85,354
Less received prior to 12/31/2018	(15,283)
Taxes receivable as of 12/31/2018	\$ 70,071
Less allowance for uncollectible	(1,000)
Parcel fees	14,159
State tax rebate	4,112
Total	\$ 87,342

NOTE 4 - CAPITAL ASSETS

A summary of property and equipment and accumulated depreciation at December 31, 2018, follows:

	Property and Equipment			
	Balance			Balance
	December 31, 2017	Additions	Deletions	December 31, 2018
Furniture and equipment	\$ 1,062,298	\$ 13,374	\$ -	\$ 1,075,672
Fixed assets and improvements	197,331	-	-	197,331
Land	27,000	-	-	27,000
Total	\$ 1,286,629	\$ 13,374	\$ -	\$ 1,300,003
	Accumulated Depreciation			
	Balance			Balance
	December 31, 2017	Additions	Deletions	December 31, 2018
Furniture and equipment	\$ 960,272	\$ 63,748	\$ -	\$ 1,024,020
Fixed assets and improvements	66,500	4,933	-	71,433
Total	\$ 1,026,772	\$ 68,681	\$ -	\$ 1,095,453

**CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 5 - LONG-TERM DEBT

The District had the following indebtedness at December 31, 2018:

The District had Series 2004 bonded debt outstanding at December 31, 2018. The District issued bonds on May 1, 2004, in the amount of \$175,000, which are general obligation bonds with maturities from 2009 to 2019 and have interest rates from 1.70% to 4.65%.

Principal balance at December 31, 2018 \$ 15,000

The District had Series 2015 bonded debt outstanding at December 31, 2018. The District issued bonds on July 23, 2015, in the amount of \$30,000, which are general obligation bonds with maturities from 2016 to 2020 and have an interest rate of 3.5%.

Principal balance at December 31, 2018 \$ 13,000

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the Parish. The long-term debt is due as follows:

<u>Year ending December 31,</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 21,000	\$ 699
2020	<u>7,000</u>	<u>123</u>
Total	<u>\$ 28,000</u>	<u>\$ 822</u>

NOTE 6 - CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2018:

	<u>Balance December 31, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2018</u>
Governmental Activities				
General Obligation Bonds	\$ 49,000	\$	\$ (21,000)	\$ 28,000
Total	<u>\$ 49,000</u>	<u>\$</u>	<u>\$ (21,000)</u>	<u>\$ 28,000</u>

NOTE 7 - RESTRICTED ASSETS AND RESTRICTED NET POSITION

Net Position restricted for debt service include excess of assets over certain liabilities restricted for the debt service on the general obligation bonds.

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 8 - SHORT-TERM NOTE PAYABLE

Southern Heritage Bank

The District received a short-term loan from Southern Heritage Bank of September 28, 2018, for \$39,000. The interest rate is 4.5% and is due on January 25, 2019.

NOTE 9 - CAPITAL LEASES PAYABLE

On February 15, 2017, the District entered into a lease purchase agreement with First Government Lease Company for the purchase of various equipment. The original debt is \$32,250 and bears an interest rate of 12.72%. Payments of \$10,540 are due annually for 5 years. The unpaid balance as of December 31, 2018, was \$21,077. On April 11, 2017, the District entered into a lease purchase agreement with First Government Lease Company for the purchase of a tanker and a brush truck. The original debt is \$256,304 and bears an interest rate of 12.41%. Payments of \$48,413 are due annually for 9 years. The unpaid balance as of December 31, 2018, was \$236,200.

On May 3, 2018, the District entered into a lease purchase agreement with First Government Lease Company for the purchase of a 1984 Ford American LaFrance firetruck. The original debt is \$16,000 and bears an interest rate of 16.80%. Payments of \$576 are due monthly for 3 years (36 months). The unpaid balance as of December 31, 2018, was \$14,070.

On August 7, 2018, the District entered into a lease purchase agreement with First Government Lease Company for the purchase of a portable pump. The original debt is \$4,503 and bears an interest rate of 17.25%. Payments of \$163 are due monthly for 3 years (36 months). The unpaid balance as of December 31, 2018, was \$4,259.

NOTE 10 - FRAUD LOSS

During the fiscal year ended December 30, 2018, various expenses were paid out of two of the District's checking accounts. These expenses were believed to have been personal in nature and were material in amount. There was also various new debt issued during the year without approval from the bond commission. The person responsible for these expenditures has since been arrested, with a court date pending.

NOTE 11 - COVID-19 PANDEMIC

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has adversely affected the economic conditions in the United States and is ongoing as of the date of these financial statements. The ultimate extent of the impact on the entity's financial position, results of operations, and liquidity is uncertain. Continued deterioration in economic conditions could adversely affect the entity's revenues and the value of its assets and liabilities.

NOTE 12 - PRIOR PERIOD ADJUSTMENT

A summary of fund balance and net position adjustments at December 31, 2018, is as follows:

	<u>As Previously Stated</u>	<u>As Restated</u>	<u>Effect of Correction</u>
Statement of activities			
Long-term debt	\$ 60,678	\$ 342,607	\$ (281,929)
Fund balance/net position	\$ 60,678	\$ 342,607	\$ (281,929)

SECTION III
OTHER SUPPLEMENTARY INFORMATION

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head Name: Ronald Ford, Board President

Per diem	\$ <u> 1,100</u>
Total	\$ <u> 1,100</u>

See Independent Accountant's Review Report.

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Name</u>		
Evie Thompson	\$	1,700
Maxie Taunton		1,200
Thurman Thompson		1,200
Ronald Ford		1,100
Matthew Brazell		<u>1,000</u>
Total	\$	<u>6,200</u>

See Independent Accountant's Review Report.

**SECTION IV
SCHEDULE OF FINDINGS**

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION 1: SUMMARY OF ACCOUNTANT'S RESULTS

Financial statements:

- | | |
|--|---------------|
| 1. Type of report issued on the financial statements: | Review Report |
| 2. Internal control over financial reporting: | . |
| a. Material weakness(es) identified? | N/A |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | N/A |
| 3. Material noncompliance relating to the financial statements? | Yes |

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - Internal Control and Compliance Material to the Financial Statements:

None

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter

None

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2018

Section I – Internal Control and Compliance Material to the Financial Statements:

2018-1 Segregation of Duties (Internal Control Finding)

Condition: Because of the small size of the Village and the small number of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village’s assets.

Criteria: Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check-writing.

Cause: Small entity with very few employees.

Effect: Material weakness in internal controls.

Recommendation: We recommend that the District continue to provide the necessary oversight in its internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Response: Management indicates that it is not feasible or cost efficient to hire any additional employees and plans no changes in its operations.

2018-2 Investigative Audit

Condition: During the year, the Louisiana Legislative Auditor was asked to assess certain matters and questions submitted to their office. As a result, a report was issued dated February 17, 2022, that included findings where improvements are needed.

Criteria: From time to time, the Louisiana Legislative Auditor performs investigations brought to their attention. This is an additional service provided to the local government to assist them in internal controls.

Cause: There are various causes including improper disbursements of funds and additional knowledge is needed by District personnel as to what additional internal controls are needed in the District.

Recommendation: We recommend that the District review each of the findings included in the report. This separate report is public record and may be reviewed on the Louisiana Legislative Auditor’s website. The report is dated February 17, 2022.

CATAHOULA PARISH FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2018

Section I - Internal Control and Compliance Material to the Financial Statements: (continued)

2018-2 Investigative Audit (continued)

Response: The Board and others are working to resolve each of these recommendations and agree with all of them.

Contact Person: Ethan House

Anticipated Completion Date: The Board is working toward resolving each of these matters.

2018-3 Fraud Finding (Fraud Finding)

Condition: During the part of the current year, there were personal expenditures and improper payments made by the Fire Chief

Criteria: The Fire Chief was using public funds for various personal expenditures, as well as receiving payments in excess of his monthly salary.

Effect: The Fire Chief was terminated and subsequently arrested.

Cause: Lack of internal control and procedures in place to prevent noncompliance.

Recommendation: We recommend that the Board practice more oversight over the day to day operations of the District to help alleviate the risk.

Corrective Action Taken: Management has both terminated and pressed charges against the previous Fire Chief. The District has also begun monitoring, more strictly, the day to day operations of the District.

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None

CATAHOULA FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
LOUISIANA LEGISLATIVE AUDITOR'S FINDING TEMPLATE FOR
REPORTING FRAUD AND MISAPPROPRIATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

Legislative Auditor's Finding Template for Reporting Fraud and Misappropriations:

1. **Element of finding:** What was the basis of the fraud or misappropriation that occurred?

Response: Cash belonging to the District was used for various personal expenses by the previous Fire Chief.

2. **Element of finding:** What funds or assets were the subject of the fraud or misappropriation?

Response: Cash from General Fund Operating.

3. **Element of finding:** What was the amount of funds or approximate value of assets involved?

Response: Around \$97,000 total.

4. **Element of finding:** What department or office did the fraud or misappropriation occur?

Response: Fire District - General.

5. **Element of finding:** What period of time did the fraud or misappropriation occur?

Response: December 2017 to July 2020.

6. **Element of finding:** What is the title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation?

Response: Fire Chief

7. **Element of Finding:** What is the name of the person who committed or is believed to have committed the act of fraud or misappropriation?

Response: Robert Squyres.

8. **Element of finding:** Is the person who committed or is believed to have committed the act of fraud still employed by the agency?

Response: No.

9. **Element of finding:** If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?

Response: N/A.

CATAHOULA FIRE PROTECTION DISTRICT NO. 4
SANDY LAKE
LOUISIANA LEGISLATIVE AUDITOR'S FINDING TEMPLATE FOR
REPORTING FRAUD AND MISAPPROPRIATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

Legislative Auditor's Finding Template for Reporting Fraud and Misappropriations (continued)

10. **Element of finding:** Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?

Response: Yes.

11. **Element of finding:** What is the status of the investigation at the date of the auditor's/accountant/s report?

Response: Previous Fire Chief has been arrested by Louisiana State Police.

12. **Element of finding:** If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?

Response: Yes.

13. **Element of finding:** What is the status of any related adjudication at the date of the auditor's/accountant's report?

Response: Previous Fire Chief has been arrested, and has a pending court date.

14. **Element of finding:** Has restitution been made or has an insurance claim been filed?

Response: Pending court date.

15. **Element of finding:** Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523?

Response: Yes.

16. **Element of Finding:** Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?

Response: No.

17. **Element of finding:** If the answer to the last question is "no", describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner?

Response: See Finding 2018-1.

18. **Element of finding:** What is management's plan to ensure that the fraud or misappropriation does not occur in the future?

Response: Management has been working closely with the Louisiana Legislative Auditor to ensure they have appropriate internal controls in place to help mitigate the risk of future occurrences.

SECTION V
APPLYING AGREED-UPON PROCEDURES

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)**

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana governmental agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected government officials should sign the document, in lieu of such a resolution.

The completed and signed attestation questionnaire and a copy of the adoption instrument, if appropriate, must be given to the independent certified public accountant at the beginning of the engagement. The CPA will, during the course of his/her engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to the Legislative Auditor's office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his/her engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Michael J. Waguespack, CPA
Louisiana Legislative Auditor

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)**

12/31/2018 (date Transmitted)

Silas Simmons, LLP
209 N. Commerce Street
Natchez, MS 39120

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/2018 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No [] N/A []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [] No [] N/A []

It is true that no member of the immediate family of any member of the governing authority, or the chief

executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No N/A

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No N/A

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No N/A

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No N/A

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No N/A

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No N/A

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No N/A

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No N/A

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No N/A

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No N/A

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No N/A

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No N/A

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No N/A

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No N/A

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No N/A

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No N/A

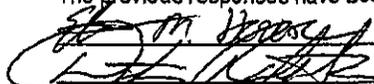
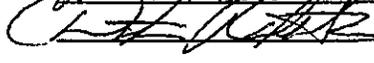
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No N/A

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No N/A

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

	President	<u>1-11-2021</u>	Date
	Secretary	<u>1/11/2021</u>	Date

These questions was answered to the best of our knowledge. We was not involved with the Catawba fire district or during this time period.



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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Fire Protection District No. 4
of Catahoula Parish

We have performed the procedures enumerated below on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2018, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the District's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2018. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may 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:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000 and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable, and report whether these expenditures had been made in accordance with these laws.

There were no expenditures for materials or supplies exceeding \$30,000, and no expenditure was made for public works exceeding \$157,700.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the required list for the seven Board members.

3. Obtain a list of all employees paid during the fiscal year.

The District did not have any employees during the fiscal year.

4. Report whether any employees' names appeared on both lists obtained in Procedures 2 and 3.

The District did not have any employees during the fiscal year.

5. Obtain a list of all disbursements made during the year and a list of outside business interests of Board members, employees, and Board members' and employees' immediate families. Report whether any vendors appear on both lists.

No vendors appeared on both of the lists provided to us.

Budgeting

6. Obtain a copy of the legally-adopted budget and all amendments.

The District was unable to provide a budget for the fiscal year 2018.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The District was unable to provide a budget for the fiscal year 2018.

8. Compare the revenues and expenditures of the final budget to the actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more and whether actual expenditures exceeded budgeted expenditures by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total.)

The District was unable to provide a budget for the fiscal year 2018.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and report:

- a. Whether the six disbursements agree to the amount and payee in the supporting documentation;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. Report whether the six disbursements are coded to the correct fund and general ledger account; and

All of the six payments were properly coded to the correct fund and general ledger account.

- c. Report whether the six disbursements were approved in accordance with management's policies and procedures.

Per review of cancelled checks and supporting documentation, it was noted that the six disbursements were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

The District was unable to provide support that agendas for meetings were posted or advertised as required.

Debt

11. Obtain bank deposit slips for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be the proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission and report any exceptions.

One deposit was noted as a short term operating loan from a local bank.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments, or approval of payments to employees that may constitute bonuses, advances, or gifts.

The District had no employees during the fiscal year.

State Audit Law

13. Report whether the District provided for a timely report in accordance with R.S. 24:513.

The District has not provided for a timely report.

14. Inquire of management and report whether the District entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A(2); and that were subject to the public bid law (R.S. 38:2211 et seq.), while the District was not in compliance with R.S. 24:513 (the audit law).

We did not note any contracts entered into by the district during the fiscal year 2018.

Prior Comments and Recommendations

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

There were no comments or unresolved matters in the prior year.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Catahoula Parish Fire Protection District No. 4 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, LLP

Natchez, Mississippi
March 7, 2022