

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 John Newton Stout, CPA - 1936-2005
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 Russell J. Stelly, CPA - 1942 - 2019

Retired

Harold Dupre, CPA - 1996
 Dwight Ledoux, CPA - 1998
 Joel Lanclos, Jr., CPA - 2003
 G. Kenneth Pavy, II, CPA - 2020

Van L. Auld, CPA

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
 Fire Protection District No. Five
 of St. Landry Parish
 Arnaudville, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of Fire Protection District No. Five of St. Landry Parish, a component unit of the St. Landry Parish Government, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Fire District, as of December 31, 2019 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.

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The Board of Commissioners
Fire Protection District No. Five
of St. Landry Parish
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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fire District's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 20, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

This schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 30, 2020, on our consideration of the Fire District'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 District'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 Fire District's internal control over financial reporting and compliance.

The Board of Commissioners
Fire Protection District No. Five
of St. Landry Parish
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Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report dated March 30, 2020, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

John S. Dowling & Company

Opelousas, Louisiana
March 30, 2020

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

GOVERNMENTAL ACTIVITIES

ASSETS

| | |
|----------------------------------|------------------|
| Cash | \$ 1,328,737 |
| Property taxes receivable, net | 416,726 |
| State revenue sharing receivable | 31,368 |
| Capital assets, net | <u>1,647,081</u> |
| <u>Total assets</u> | <u>3,423,912</u> |

LIABILITIES

| | |
|--------------------------|--------------|
| Accounts payable | <u>9,431</u> |
| <u>Total liabilities</u> | <u>9,431</u> |

NET POSITION

| | |
|----------------------------------|-------------------------|
| Net investment in capital assets | 1,647,081 |
| Unrestricted | <u>1,767,400</u> |
| <u>Total net position</u> | <u><u>3,414,481</u></u> |

See accompanying notes and independent auditor's report.

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

| <u>ACTIVITIES</u> | <u>PROGRAM REVENUES</u> | | | <u>NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION</u> |
|--|-------------------------|---------------------------------|---|--|
| | <u>EXPENSES</u> | <u>CHARGES FOR SERVICES</u> | <u>OPERATING GRANTS AND CONTRIBUTIONS</u> | |
| | | | | <u>GOVERNMENTAL ACTIVITIES</u> |
| <u>Governmental Activities</u> | | | | |
| Public safety - fire | \$ 318,246 | \$ - | \$ - | \$ - |
| <u>Total governmental activities</u> | <u>318,246</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| General revenues | | | | |
| Property taxes | | | | 451,568 |
| Intergovernmental | | | | 74,956 |
| Interest and investment earnings | | | | 5,104 |
| Gain on sale of assets | | | | 5,130 |
| Miscellaneous | | | | 1,588 |
| <u>Total general revenues</u> | | | | <u>538,346</u> |
| Change in net position | | | | 220,100 |
| Net position – January 1, 2019 | | | | <u>3,194,381</u> |
| Net position – December 31, 2019 | | | | <u>3,414,481</u> |

See accompanying notes and independent auditor's report.

FUND FINANCIAL STATEMENTS

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2019

| | <u>GENERAL FUND</u> |
|---|----------------------|
| <u>ASSETS</u> | |
| Cash | \$ 1,328,737 |
| Property taxes receivable, net | 416,726 |
| State revenue sharing receivable | <u>31,368</u> |
| <u>Total assets</u> | <u>1,776,831</u> |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u> | |
| <u>LIABILITIES</u> | |
| Accounts payable | \$ 9,431 |
| <u>Total liabilities</u> | <u>9,431</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | |
| Unavailable revenue - property taxes and revenue sharing | <u>65,214</u> |
| <u>Total deferred inflows of resources</u> | <u>65,214</u> |
| <u>FUND BALANCE</u> | |
| Unassigned | 652,186 |
| Committed | |
| PVFD driveway | 50,000 |
| SCBA replacement | 100,000 |
| Greenbriar property purchase | 100,000 |
| Construction of Greenbriar station | 400,000 |
| Existing station improvements | 150,000 |
| Construction of AVFD building | <u>250,000</u> |
| <u>Total fund balance</u> | <u>1,702,186</u> |
| <u>Total liabilities, deferred inflows of resources, and fund balance</u> | <u>1,776,831</u> |

See accompanying notes and independent auditor's report.

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

| | | |
|---|--------------------|-------------------------|
| Total fund balance for the governmental fund at December 31, 2019 | | \$1,702,186 |
| The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current-period expenditures are deferred in governmental funds. | | 65,214 |
| Cost of capital assets at December 31, 2019 | \$3,045,788 | |
| Less: Accumulated depreciation as of December 31, 2019 | <u>(1,398,707)</u> | <u>1,647,081</u> |
| Net position at December 31, 2019 | | <u><u>3,414,481</u></u> |

See accompanying notes and independent auditor's report.

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>GENERAL FUND</u> |
|---|---------------------|
| <u>REVENUES</u> | |
| Taxes | |
| Property taxes | \$ 454,814 |
| Intergovernmental | |
| State revenue sharing | 46,972 |
| Fire insurance tax | 27,904 |
| Other revenue | |
| Interest earnings | 5,104 |
| Miscellaneous | 1,588 |
| <u>Total revenues</u> | 536,382 |
| <u>EXPENDITURES</u> | |
| Public safety | |
| Current | |
| Contract work | 6,000 |
| Per diem fees | 3,870 |
| Postage | 62 |
| Professional fees | 12,670 |
| Miscellaneous | 5,124 |
| Building maintenance | 7,940 |
| Equipment maintenance | 34,538 |
| Firefighting clothing and accessories | 8,889 |
| Insurance | 43,531 |
| Communications | 2,978 |
| Training | 9,151 |
| Truck repairs | 7,272 |
| Truck fuel | 3,852 |
| Utilities | 18,094 |
| Supplies and repairs | 4,697 |
| Property tax pension expense | 14,855 |
| Capital outlay | |
| Equipment | 112,296 |
| <u>Total expenditures</u> | 295,819 |
| <u>EXCESS OF REVENUES OVER EXPENDITURES</u> | 240,563 |
| <u>OTHER FINANCING SOURCES</u> | |
| Sale of assets | 7,750 |
| <u>Total other financing sources</u> | 7,750 |
| <u>NET CHANGE IN FUND BALANCE</u> | 248,313 |
| <u>FUND BALANCE, beginning of year</u> | 1,453,873 |
| <u>FUND BALANCE, end of year</u> | 1,702,186 |

See accompanying notes and independent auditor's report.

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

| | | |
|---|------------------|----------------|
| Total net change in fund balance for the year ended December 31, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balance | | \$ 248,313 |
| Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received. | | (3,166) |
| Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance | \$ 112,296 | |
| Depreciation expense for year ended December 31, 2019 | <u>(134,723)</u> | (22,427) |
| Book value of asset disposals | | <u>(2,620)</u> |
| Total change in net position for the year ended December 31, 2019 per Statement of Activities | | <u>220,100</u> |

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Fire Protection District No. Five of St. Landry Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The following is a summary of certain significant accounting policies and practices of the Fire Protection District No. Five of St. Landry Parish.

A. FINANCIAL REPORTING ENTITY

The basic entity being reported on is Fire Protection District No. Five of St. Landry Parish. Fire Protection District No. Five of St. Landry Parish (Fire District), which is a political subdivision of the state of Louisiana, was created by a resolution of the St. Landry Parish Police Jury in 1983. The District is governed by a Board of Commissioners. The District was created for the purpose of acquiring, maintaining, and operating buildings, machinery, equipment, water tanks, water hydrants, and water lines and any other such thing necessary to provide proper fire prevention and control within the District's limits. The District is financed primarily by parish ad valorem taxes which are dedicated for fire expenditures and debt service.

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government 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 parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
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 parish government appoints a voting majority of the District's governing body and the parish government has the ability to impose its will on the District, the District was determined to be a component unit of the St. Landry Parish Government, 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 parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of Fire Protection District No. Five of St. Landry Parish, the primary government, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, 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. Fiduciary funds are not included in the GWFS.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FUND FINANCIAL STATEMENTS

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The fund presented in the financial statements and considered a major fund is described as follows:

Governmental Fund

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

MEASUREMENT FOCUS

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

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

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

BASIS OF ACCOUNTING

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the state of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Interest earnings are recorded as earned since they are measurable and available.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. CASH AND INVESTMENTS

Under state law the District may deposit funds with any bank located within the state and organized under the laws of the state of Louisiana, any other state in the union, or under the laws of the United States. Further, the District may invest in time deposits or certificates of deposit of those banks.

Custodial risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100% of the uninsured amount on deposit with the bank.

At year-end, the carrying amount of the District's cash was \$ 1,328,737. The bank balance of cash was \$1,293,042. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,043,042 was covered by pledged securities. Deposits secured by pledged securities were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Fire District's name. The Fire District does not have a policy for custodial credit risk.

E. CAPITAL ASSETS

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|-------------------------|-------------|
| Buildings | 40 years |
| Equipment and furniture | 5-20 years |
| Trucks | 20-30 years |

The District maintains a threshold level of \$1,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Construction period interest is capitalized if material amounts of interest resulting from borrowings in the course of the construction of fixed assets is incurred. No interest was capitalized for the year ended December 31, 2019.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. BUDGETS AND BUDGETARY ACCOUNTING

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

1. The budget must be finally adopted by the District no later than the last day of the preceding year.
2. The Board of Commissioners may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
3. Operating appropriations lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
4. Budgets are adopted on a modified accrual basis.

G. VACATION, SICK LEAVE, AND PENSION PLAN

The District does not have any employees.

H. ENCUMBRANCES

Encumbrance accounting is not used by the District.

I. EXPENDITURES AND EXPENSES

Expenditures/Expenses

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

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

J. EQUITY CLASSIFICATIONS

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

1. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. EQUITY CLASSIFICATIONS (Continued)

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

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

1. Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions for enabling legislation.
2. Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Commissioners – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance – This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. ESTIMATES

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

L. 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 financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until that time. The District does not have any of this type.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District does not have any of this type.

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

NOTE 2 - PROPERTY TAXES

The District's property tax is collected by an intermediary government and remitted on a monthly basis. The intermediary government maintains the tax roll for property taxes for the District. The property tax, levied for the calendar year, is due to the intermediary government on or before December 31 and becomes delinquent on January 1. The taxes are generally collected in December of the current year and January and February of the ensuing year. For the year ended December 31, 2019, taxes of 13.77 mills were levied for maintenance.

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

The taxpayers of Fire Protection District No. Five approved, at a special election held on April 21, 2012, a maintenance tax millage of 14.25 to be the maximum that could be assessed for a ten year period beginning with the 2013 tax year.

As per state requirements, each taxing district of the parish must remit a portion of total ad valorem taxes to the pension fund. This amount is determined by the legislative auditor each year and is to be taken out of the first month of collections of property taxes. If the collections from the first month are not sufficient to cover the pension fund deduction, then the remainder must be deducted from subsequent collections of the property taxes.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - PROPERTY TAXES (Continued)

Since the Sheriff of the parish collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the pension fund amount owed and the remainder is remitted to the taxing district. A breakdown of property taxes receivable as of December 31, 2019 is as follows:

| | <u>Total Tax Per Roll</u> | <u>Pension Fund Requirements</u> | <u>Estimated Uncollectible</u> | <u>Collected in November & December</u> | <u>Net Tax Receivable</u> |
|--------------|-------------------------------|--------------------------------------|------------------------------------|---|-------------------------------|
| General Fund | \$ 458,220 | \$14,855 | \$2,583 | \$ 24,056 | \$ 416,726 |

NOTE 3 - CAPITAL ASSETS

Capital assets and depreciation activity, as of and for the year ended December 31, 2019, for Fire Protection District No. Five of St. Landry Parish are as follows:

| | <u>Balance 1/1/2019</u> | <u>Purchases</u> | <u>Deletions</u> | <u>Balance 12/31/2019</u> |
|---|-----------------------------|------------------|------------------|-------------------------------|
| Governmental activities | | | | |
| Buildings | \$ 192,943 | \$ - | \$ - | \$ 192,943 |
| Equipment and furniture | 578,432 | 112,296 | 31,894 | 658,834 |
| Trucks | 2,348,693 | - | 164,682 | 2,184,011 |
| Land | 10,000 | - | - | 10,000 |
| <u>Totals at historical cost</u> | <u>3,130,068</u> | <u>112,296</u> | <u>196,576</u> | <u>3,045,788</u> |
| Less accumulated depreciation | | | | |
| Buildings | 63,435 | 4,810 | - | 68,245 |
| Equipment and furniture | 377,628 | 37,690 | 31,718 | 383,600 |
| Trucks | 1,016,877 | 92,223 | 162,238 | 946,862 |
| <u>Total accumulated depreciation</u> | <u>1,457,940</u> | <u>134,723</u> | <u>193,956</u> | <u>1,398,707</u> |
| Governmental activities | | | | |
| Capital assets, net | <u>1,672,128</u> | <u>(22,427)</u> | <u>2,620</u> | <u>1,647,081</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|----------------------|------------|
| Public safety – fire | \$ 134,723 |
|----------------------|------------|

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 - DEFICITS IN INDIVIDUAL FUNDS

The District does not have a deficit fund balance for the year ended December 31, 2019.

NOTE 5 - PER DIEM

Compensation and travel paid to board members is summarized below:

| <u>Board Members</u> | <u>Number of Meetings Attended</u> | <u>Compensation</u> |
|----------------------|------------------------------------|---------------------|
| James P. Womack | 12 | \$ 810 |
| Randy Courville | 12 | 810 |
| Andrew Degenhardt | 11 | 730 |
| Ryan Dupre | 12 | 810 |
| Wade Ray | 10 | <u>710</u> |
| | | <u><u>3,870</u></u> |

NOTE 6 - SUBSEQUENT EVENTS

Subsequent events were evaluated through March 30, 2020, the date which the financial statements were available to be issued. As of that date, there are no subsequent events noted.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Fire Protection District No. Five of St. Landry Parish does not provide any post-employment benefits to retirees other than pension and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

NOTE 8 - FUND BALANCE CONSTRAINTS

The constraints on fund balance as listed in aggregate in the Statement of Revenues, Expenditures, and Changes in Fund Balance are detailed according to balance classification.

| | <u>General Fund</u> |
|----------------------------|-------------------------|
| Fund Balances: | |
| Nonspendable | \$ - |
| Restricted | - |
| Committed | 1,050,000 |
| Assigned | - |
| Unassigned | <u>652,186</u> |
| <u>Total fund balances</u> | <u><u>1,702,186</u></u> |

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

| | BUDGET | | ACTUAL | VARIANCE |
|---|----------------|----------------|------------------|----------------------------|
| | ORIGINAL | FINAL | | FAVORABLE (UNFAVORABLE) |
| <u>REVENUES</u> | | | | |
| Taxes | \$ 400,000 | \$ 440,115 | \$ 454,814 | \$ 14,699 |
| Intergovernmental | 75,000 | 75,128 | 74,876 | (252) |
| Interest earnings | 3,500 | 4,672 | 5,104 | 432 |
| Miscellaneous | 1,000 | 1,588 | 1,588 | - |
| <u>Total revenues</u> | <u>479,500</u> | <u>521,503</u> | <u>536,382</u> | <u>14,879</u> |
| <u>EXPENDITURES</u> | | | | |
| Public safety – fire | | | | |
| Office supplies | 4,000 | 5,000 | 4,697 | 303 |
| Electricity | 10,000 | 9,000 | 8,676 | 324 |
| Telephone | 6,000 | 7,500 | 7,419 | 81 |
| Utilities | 2,500 | 2,100 | 1,999 | 101 |
| Insurance | 50,000 | 43,531 | 43,531 | - |
| Miscellaneous expense | 6,000 | 5,500 | 5,124 | 376 |
| Postage | 200 | 30 | 62 | (32) |
| Firefighting clothing and accessories | 38,000 | 13,000 | 8,889 | 4,111 |
| Communications | 10,000 | 2,500 | 2,978 | (478) |
| Fuel and oil | 6,000 | 3,500 | 3,852 | (352) |
| Truck repairs | 50,000 | 7,000 | 7,272 | (272) |
| Building Maintenance | 100,000 | 8,500 | 7,940 | 560 |
| Training | 5,000 | 9,000 | 9,151 | (151) |
| Professional fees | 10,000 | 10,000 | 12,670 | (2,670) |
| Equipment maintenance | 30,000 | 30,000 | 34,538 | (4,538) |
| Prevention education expense | 1,000 | - | - | - |
| Board of directors per diem | 3,000 | 4,500 | 3,870 | 630 |
| Secretary - bookkeeper | 6,000 | 6,000 | 6,000 | - |
| Property tax pension expense | - | 14,855 | 14,855 | - |
| Capital outlay | | | | |
| Equipment | 112,000 | 112,000 | 112,296 | (296) |
| <u>Total expenditures</u> | <u>449,700</u> | <u>293,516</u> | <u>295,819</u> | <u>(2,303)</u> |
| <u>EXCESS OF REVENUES OVER EXPENDITURES</u> | <u>29,800</u> | <u>227,987</u> | <u>240,563</u> | <u>12,576</u> |
| <u>OTHER FINANCING SOURCES</u> | | | | |
| Sale of assets | - | 7,750 | 7,750 | - |
| <u>Total other financing sources</u> | <u>-</u> | <u>7,750</u> | <u>7,750</u> | <u>-</u> |
| <u>NET CHANGE IN FUND BALANCE</u> | <u>29,800</u> | <u>235,737</u> | <u>248,313</u> | <u>12,576</u> |
| <u>FUND BALANCE</u> , beginning of year | | | <u>1,453,873</u> | |
| <u>FUND BALANCE</u> , end of year | | | <u>1,702,186</u> | |

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
SCHEDULE OF COMPENSATION BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2019

Agency Head Name: James P. Womack, Chairman

| Purpose | Amount |
|--|---------------|
| Salary | 0 |
| Benefits-insurance | 0 |
| Benefits-retirement | 0 |
| Benefits | 0 |
| Car allowance | 0 |
| Vehicle provided by government | 0 |
| Per diem | \$ 810 |
| Reimbursements | 309 |
| Travel | 0 |
| Registration fees | 0 |
| Conference travel | 0 |
| Continuing professional education fees | 0 |
| Housing | 0 |
| Unvouchered expenses* | 0 |
| Special meals | 0 |
| Other | 0 |

See independent auditor's report.

RELATED REPORTS

James L. Nicholson, Jr., CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



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Retired

Harold Dupre, CPA - 1996
 Dwight Ledoux, CPA - 1998
 Joel Lanclos, Jr., CPA - 2003
 G. Kenneth Pavy, II, CPA - 2020

Van L. Auld, CPA

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

The Board of Commissioners
 Fire Protection District No. Five
 of St. Landry Parish
 Arnaudville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of The Fire Protection District No. Five of St. Landry Parish as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements and have issued our report thereon dated March 30, 2020.

Internal Control over Financial Reporting

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

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 weakness or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2019-1 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fire District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

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The Board of Commissioners
Fire Protection District No. Five
of St. Landry Parish
Page 2

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings and Responses as item 2019-2.

The Fire District's response to Findings

The Fire District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Fire District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John A. Dowling & Company

Opelousas, Louisiana
March 30, 2020

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

SECTION I - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Fire Protection District No. Five of St. Landry Parish of Arnaudville, Louisiana.
2. One significant deficiency and no material weakness relating to the audit of the financial statements are reported in the 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.
3. One instance of noncompliance relating to the audit of the financial statements was reported in the 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.
4. No management letter was issued for the Fire District as of and for the year ended December 31, 2019.
5. There was no single audit requirement under The Uniform Guidance.

SECTION II - INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL

2019-1 Inadequate Segregation of Duties

Condition: Due to the small size of the District, the District did not have adequate segregation of functions within the accounting system.

Criteria: Accounting duties should be segregate among employees.

Cause: There are only a few people performing the daily operating activities.

Effect: The accounting functions are not segregated, and it is important that you are aware of this condition because errors or fraud could occur and not be detected.

Recommendation: A system of internal control should be established in order to mitigate the problem of having such few people performing the daily accounting functions.

Corrective Action Plan: There are not enough people at the District to segregate the accounting duties.

Contact Person: Candice Elkins

COMPLIANCE

2019-2 Sexual Harassment Policy

Condition: A sexual harassment policy was not adopted by the board.

Criteria: The Louisiana Revised Statue (RS 42:341-344) states that each agency head must adopt a sexual harassment policy, containing certain required language, and compile an annual report containing information regarding the agency's compliance.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

SECTION II - INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS
(CONTINUED)

COMPLIANCE (CONTINUED)

2019-2 Sexual Harassment Policy (Continued)

Cause: A sexual harassment policy was not adopted by the board.

Effect: The policy required by the Louisiana Revised Statue was not adopted and the reporting requirements were not met.

Recommendation: A sexual harassment policy should be adopted and an annual report should be compiled.

Corrective Action Plan: A sexual harassment policy will be adopted and the annual report will be compiled.

Contact Person: Candice Elkins

SECTION III - INTERNAL CONTROL AND COMPLIANCE TO FEDERAL AWARDS

N/A

SECTION IV - MANAGEMENT LETTER

N/A

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2019

SECTION I - INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL

2018-1 Inadequate Segregation of Duties

Unresolved – Repeat Comment

COMPLIANCE

2018-2 Budget Presentation

Resolved

SECTION II - INTERNAL CONTROL AND COMPLIANCE TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

N/A

James L. Nicholson, Jr., CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



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Van L. Auld, CPA

**INDEPENDENT ACCOUNTANT'S REPORT
 ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below, which were agreed to by the Fire Protection District No. Five of St. Landry Parish (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that 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
The Fire District does not have any written policies or procedures to address budgeting.
 - 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.
The Fire District does not have any written policies or procedures to address purchasing.
 - c) **Disbursements**, including processing, reviewing, and approving
The Fire District does not have any written policies or procedures to address disbursements.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Board of Commissioners
 Fire Protection District No. Five
 of St. Landry Parish
 Page 2

The Fire District does not have any written policies or procedures to address receipts and collections.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The Fire District does not have any employees; therefore, the Fire District does not have any written policies or procedures to address payroll and personnel.

- 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

The Fire District does not have any written policies or procedures to address contracting.

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

The Fire District does not have any written policies or procedures to address credit cards.

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

Written policies and procedures were obtained for travel and expense reimbursements. The policies and procedures address all of the above functions except documentation requirements and required approvers.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

The Fire District does not have any written policies or procedures to address ethics.

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

The Fire District does not have any debt; therefore, the Fire District does not have any written policies or procedures to address debt service.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Fire District does not have any written policies or procedures to address disaster recovery/business continuity.

Board or Finance Committee

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

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

Obtained and reviewed the board meeting minutes for the fiscal period, noting that the board met each month.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-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.*

The minutes did not reference monthly budget-to-actual comparisons on the general fund or monthly financial statements; however, these statements are presented to the board each month.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

Not applicable. The general fund did not have a negative unrestricted fund balance.

Bank Reconciliations

3. Obtain a listing of client 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 selected each account, and observe that:

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

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

No exceptions noted.

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

Bank reconciliations did not include evidence that a member of management/board member reviewed each bank reconciliation. However, the board members are presented the bank statements and bank reconciliations at each monthly board meeting.

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

Not applicable. No items were outstanding for more than 12 months.

Collections (excluding EFTs)

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

The Fire District only has one deposit site and obtained management's representation that the listing is complete.

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

The Fire District only has one collection location and obtained management's representation that the listing is complete.

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

There is no cash register or drawer; collections only consist of checks.

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

The person responsible for collecting cash is also responsible for making bank deposits and reconciling collection documentation to the deposits.

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

The person responsible for collecting cash is also responsible for posting collection entries to the general ledger.

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

The person responsible for reconciling cash collection to the general ledger is also responsible for cash collections. However, the bank statements and bank reconciliations are reviewed by the board members at each monthly meeting.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The person who has access to cash is covered by an insurance policy for theft.

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

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

Of the 4 deposits selected, no exceptions noted.

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

Of the 4 deposits selected, no exceptions noted.

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

Of the 4 deposits selected, no exceptions noted.

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- d) 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).

Of the 4 deposits selected, none of the deposits were made within one business day.

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

Of the 4 deposits selected, no exceptions noted.

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

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

There is only one location that processes payments and obtained management's representation that the listing is complete.

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

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

Multiple board members are involved in initiating/making purchases and also approving payments.

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

All invoices are approved by the board at monthly meetings and two signatures are required on each check.

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

The person responsible for processing payments is not prohibited from adding/modifying 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.

The person responsible for processing payments is also responsible for mailing the payments.

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

Obtained the year-to-date general ledger and management's representation that the population is complete.

- a) Observe that the disbursement matched the related original invoice/billing statement.

Of the 5 disbursements selected, no exceptions noted.

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

Of the 5 disbursements selected, none of the disbursement documentation included evidence of segregation of duties. However, all disbursements are approved by the board at monthly meetings and all checks require two signatures.

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

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

Obtained the list of all active fuel cards, including card numbers and names, and management's representation that the list is complete.

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

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

No exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Not applicable. The Fire District only has fuel cards.

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

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

Obtained the general ledger from management and management's representation that the listing is complete.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Not applicable. Reimbursements were made using actual costs.

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

No exceptions noted.

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- c) 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 policy (procedure #1h).
- No exceptions noted.*
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Reimbursements were not reviewed or approved in writing, but all expenses are approved by the board at the monthly meetings and one board member signs each check.

Ethics

19. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- No exceptions noted.*
- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

The Fire District does not have an ethics policy.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, 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.

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

John S. Dowling & Company

Opelousas, Louisiana
 March 30, 2020

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 2019

Management's responses to the following agreed-upon procedure sections:

Written Policies and Procedures:

1. a) Budgeting
- b) Purchasing
- c) Disbursements
- d) Receipts/Collections
- f) Contracting
- g) Credit cards
- h) Travel and expense reimbursement – (3) documentation requirements and (4) required approvers
- i) Ethics
- k) Disaster Recovery/Business Continuity

Management's response: All purchase authorizations are made in open meeting. All invoices/disbursements are approved in open meeting with two signers on all checks.

Board or Finance Committee:

2. b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Management's response: Financial report/budget comparison is reviewed at each meeting. We will have the minutes reflect this.

Bank Reconciliations:

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

Management's response: We will have Chairman sign off on reconciliations once reviewed.

Collections:

5. b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Management's response: Due to the small size of this volunteer department, we are unable to segregate duties.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 2019

Management's responses to the following agreed-upon procedure sections - continued:

Collections:

7. b) 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).

Management's response: Deposits are made as quickly as possible.

Non-Payroll Disbursements:

9. 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.

Management's response: Due to the small size of this volunteer department, we are unable to segregate duties.

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

Management's response: Due to the small size of this volunteer department, we are unable to segregate duties.

Travel and Travel-Related Expense Reimbursements:

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

Management's response: Before approving travel requests, the Board reviews the need for the travel, such as training, conferences, etc., then makes a decision on reimbursement.