

DELHI VOLUNTEER FIRE DEPARTMENT, INC.

Financial Statements
For the Year Ended December 31, 2018

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
DELHI, LOUISIANA

FOR THE YEAR ENDED DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Mr. David Hale, President
Delhi Volunteer Fire Department
Delhi, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of Delhi Volunteer Fire Department, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Department as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Mr. David Hale, President
Delhi Volunteer Fire Department
Delhi, Louisiana

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Delhi Volunteer Fire Department, as of December 31, 2018, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 17 through 18 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

Other Information

The Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer is the responsibility of management and was derived directly from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 29, 2019, on my consideration of the Department's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

West Monroe, Louisiana
May 29, 2019

David M. Sant, CPA (CAPAC)

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

**DELHI VOLUNTEER FIRE DEPARTMENT, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Delhi Volunteer Fire Department, Inc. (the Department) financial statements provides an overview of its activities for the year ended December 31, 2018. Please read it in conjunction with the Department’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Department as a whole.

Reporting the Department as a Whole

The Statement of Net Position and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. 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 Department’s net position and changes in them. The Department’s net position (the difference between assets and liabilities) measure the Department’s financial position. Increases or decreases in the Department’s net position are an indicator of whether its financial position is improving or not.

The Department as a Whole

For the years ended December 31, 2018 net position changed as follows:

	2018	2017
Beginning net position (Restated)	(119,236)	\$ 95,080
Decrease in net position	(59,879)	(195,587)
Ending net position	\$(179,115)	\$(100,507)

The Department's Funds

The following schedule presents a summary of revenues and expenses for the years ended December 31, 2018 and 2017:

Revenues	2018	Percent of Total	2017	Percent of Total
Sales Taxes	\$322,377	53.01%	\$258,747	91.68%
Insurance Rebate	11,833	2.07%	18,729	6.64%
Sales of Assets	77,500	13.52%		
Grants & Contributions	179,904	31.40%	4,743	1.68%
Total Revenues	\$591,654	100.00%	\$282,219	100.00%

Expenditures	2018	Percent of Total	2017	Percent of Total
Public Safety – Fire Protection	\$651,493	100.00%	\$477,806	100.00%

BUDGETARY HIGHLIGHTS

The Department's total revenues in 2018 were within 5% of the final budgeted revenue. Actual expenditures in 2018 were also within 5% of the budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2018, the Department had \$1,385,388 invested in capital assets (\$714,726 net of accumulated depreciation) including machinery and equipment and vehicles.

Assets	December 31, 2017	Additions	Disposals	December 31, 2018
Autos & Equipment	\$ 1,397,301	\$49,083	(77,500)	\$ 1,360,388
Buildings	25,000	-	-	25,000
Total at historical cost	1,422,301	49,083	(77,500)	1,385,388
Less: Accumulated Depreciation:				
Autos & Equipment	(491,049)	(263,445)	77,500	(668,498)
Buildings	(1,523)	(641)	-	(2,164)
Capital assets, net	\$ 929,729	\$(215,003)	-	\$ 714,726

Debt

At year end, the Department had \$1,009,395 in long-term obligations. Additional information about the Department's debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Department's revenues are derived mainly from sales taxes and a variety of grants and state fire insurance rebates. The Department is not aware of any significant increases or decreases in those revenues sources or associated expenditures but in light of the current economic volatility, the Department must continue to monitor its limited resources to fit the needs of the citizens of The Town of Delhi, Louisiana and be aware of other funding opportunities that may present themselves.

CONTACTING THE DEPARTMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Department's finances and to show the Department's accountability for the funds received by it. If you have any questions about this report or need additional financial information, contact:

Gina Jones, Treasurer
Post Office Box 216
Delhi, LA 71232

GOVERNMENT-WIDE FINANCIAL STATEMENTS

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Governmental Activities
<i>Assets</i>	
Cash and Cash Equivalents	\$ 100,639
Accounts Receivable	15,993
Capital Assets:	
Depreciable	714,726
Total Assets	831,358
<i>Liabilities</i>	
Accounts Payable	1,078
Long-Term Liabilities	
Due Within One Year	68,143
Due in More than One Year	941,252
Total Liabilities	1,010,473
<i>Net Position</i>	
Net Investment in Capital Assets	714,726
Net Position - Unrestricted	(893,841)
Total Net Position	\$ (179,115)

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

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities					
Public Safety	\$ 651,493	\$ -	\$ 179,277	\$ -	\$ (472,216)

General Revenues:

Sales Taxes	322,377
Sales of Assets	77,500
Insurance Rebate	11,833
Miscellaneous	627
Total General Revenues	412,337

Changes in Net Position (59,879)

Net Position - Beginning (Restated) (119,236)

NET POSITION - ENDING \$ (179,115)

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

FUND FINANCIAL STATEMENTS

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
BALANCE SHEET, GOVERNMENTAL FUNDS
DECEMBER 31, 2018

ASSETS

Current Assets

Cash and Cash Equivalents	\$	100,639
Accounts Receivable		15,993

<u>TOTAL ASSETS</u>	<u>\$</u>	<u>116,632</u>
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LIABILITIES AND FUND BALANCE

Liabilities

Accounts Payable	\$	-
Payroll Taxes Payable		1,078
Total Liabilities		<u>1,078</u>

Fund Balance

Unassigned		115,554
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<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$</u>	<u>116,632</u>
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**Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Governmental Funds:	\$	115,554
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental Assets	1,385,388	
Less Accumulated Depreciation	<u>(670,662)</u>	
		714,726

Long-term liabilities, including capital leases payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		<u>(1,009,395)</u>
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Net Position of Governmental Activities	<u>\$</u>	<u>(179,115)</u>
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The accompanying notes are an integral part of this financial statement.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Operating Revenue</u>	
Sales Tax Revenue	\$ 322,377
Grant Income	179,277
State Fire Insurance Rebate	11,833
Sales of Assets	77,500
Miscellaneous	627
Total Operating Revenue	<u>591,614</u>
 <u>Operating Expenses</u>	
Wages	46,795
Volunteer Incentives	12,498
Repairs and Maintenance	14,515
Supplies Used in Operations	1,432
Public Awareness and Education	3,622
Volunteer Travel/Mileage Reimbursement	4,339
Internet & Website Expense	3,211
Taxes & Licenses	-
Volunteer Service Awards	32
Computer/Camera/Copier Expense	12,052
Fuel, Oil, Grease	2,853
Insurance	22,009
Utilities	3,039
Telephone	932
Uniforms & Safety Equipment	4,641
Dues, Fees & Publications	2,694
Office Supplies & Postage	501
Debt Service	106,032
Legal and Accounting	9,495
Audit and Review	5,000
Capital Outlay	53,733
Grant Dedicated Purchases	179,277
Training	9,159
Payroll Tax Expense	3,802
Miscellaneous Tools	507
Total Operating Expenses	<u>502,170</u>
 <u>Change in Fund Balance</u>	 89,444
 <u>Fund Balance - Beginning of the Year (Restated)</u>	 <u>26,110</u>
 <u>FUND BALANCE - END OF THE YEAR</u>	 <u><u>\$ 115,554</u></u>

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

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

Amounts reported for governmental activities in the Statement of Activities
are different because:

Net change in fund balances - total governmental funds \$ 89,444

Governmental funds report capital outlays as expenditures,
however, in the statement of activities, the cost of those
assets is depreciated over their estimated useful lives.

Expenditures for capital assets	49,083	
Less current year depreciation	<u>(264,086)</u>	
		(215,003)

Loan proceeds provide current financial resources to governmental funds,
but issuing debt increases long-term liabilities in the statement of net
assets. -

Repayment of principal in an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		<u>65,680</u>
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Changes in net position of governmental activities		<u><u>\$ (59,879)</u></u>
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The accompanying notes are an integral part of this financial statement.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
DELHI, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

INTRODUCTION

Delhi Volunteer Fire Department, Inc. (the Department) was created April 26, 2002, for the purpose of purchasing and maintaining fire equipment and providing fire protection for the people included in the Town of Delhi, Louisiana. The Department is governed by a board of officers consisting of eight members. The Department has two employees.

The Department is exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Note 1 - Summary of Significant Accounting Policies

A. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of Activities) report information on all of the nonfiduciary activities of the Department. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
DELHI, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1 - Summary of Significant Accounting Policies - Continued

Sales taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund. The Department has no proprietary fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

C. CASH AND CASH EQUIVALENTS

The Department's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Department's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. RECEIVABLES AND PAYABLES

Receivables for sales taxes and grants are shown at their full amount. There is no allowance for uncollectible accounts.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
DELHI, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1 - Summary of Significant Accounting Policies - Continued

E. CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. 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 Department maintains a threshold level of \$5,000 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 assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No construction occurred during the current fiscal year.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Buildings	40 Years
Autos and Equipment	5-10 Years

F. COMPENSATED ABSENCES

The Department is operated by two full time employees and volunteers and therefore has a policy for compensated absences of five days of paid time off after six months of employment for full time employees only.

G. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

H. FUND EQUITY

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. 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.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
DELHI, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1 - Summary of Significant Accounting Policies - Continued

H. FUND EQUITY (continued)

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

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

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the 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.

Assigned Fund Balance – This classification reflects the amounts constrained by the Department’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

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

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

I. 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.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
DELHI, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 2 - Stewardship, Compliance, and Accountability

Budget Information: Preliminary budgets for the ensuing year are prepared by the treasurer during November of each year. During November, the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the December meeting. All annual appropriations lapse at year end. Encumbrance accounting is not used by the Department. Budgeted amounts included in the accompanying financial statements include the original adopted budget and one amendment for the year ended December 31, 2018.

Note 3 - Cash and Cash Equivalents

Custodial Credit Risk – deposits. The custodial credit risk is the risk that in the event of a bank failure, the Department’s deposits may not be returned to it. The Department’s policy to ensure there is no exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the Department had no custodial credit risk related to its deposits at December 31, 2018.

The Department has cash and cash equivalents (book balances) totaling \$100,639 at December 31, 2018 as follows:

Demand Deposits	\$ 100,639
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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 the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal 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. Cash and cash equivalents (bank balances) at December 31, 2018, are secured as follows:

Bank Balances	\$ 107,788
FDIC Insurance	250,000
Pledged Collateral	<u> -</u>
Uninsured Amount	<u>\$ -</u>

Note 4 - Accounts Receivable

At December 31, 2018, the Department had accounts receivable in the amount of \$15,993 for a billing error on some equipment purchased.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
DELHI, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 5 - Property, Plant and Equipment

Capital asset activity for the year ended December 31, 2018 and 2017 is as follows:

	December 31, 2017			December 31, 2018
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Depreciable Assets:				
Autos & Equipment	\$1,397,301	\$ 49,083	\$(85,996)	\$1,360,388
Buildings	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Totals at Historical Cost	1,422,301	49,083	(85,996)	1,385,388
Less Accumulated Depreciation for:				
Autos & Equipment	(491,049)	(263,445)	85,996	(668,498)
Buildings	<u>(1,523)</u>	<u>(641)</u>	<u>-</u>	<u>(2,164)</u>
Total Accumulated Depreciation	<u>(492,572)</u>	<u>(264,086)</u>	<u>85,996</u>	<u>(670,662)</u>
<u>CAPITAL ASSETS, NET</u>	<u>\$ 929,729</u>	<u>\$(215,003)</u>	<u>\$ -</u>	<u>\$ 714,726</u>

Depreciation expense was \$264,086 in 2018.

Note 6 - Long-Term Obligations

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

	<u>Capital Purchase</u>
Balance at December 31, 2017	\$1,075,075
Additions	-
Reductions	<u>(65,680)</u>
<u>BALANCE AT DECEMBER 31, 2018</u>	<u>\$1,009,395</u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2018:

	<u>Capital Purchase</u>
Current Portion	\$ 68,143
Long-Term Portion	<u>941,252</u>
<u>Total</u>	<u>\$1,009,395</u>

Long-term obligation at December 31, 2018 in the amount of \$1,009,395 consists of one lease/purchase agreement with Republic First National that was subsequently sold to local banks. The agreements were for the purchase of 2 fire trucks.

The obligations have maturities from 2018 until 2030 and have an interest rate of 4.0%. Interest expense for 2018 was \$40,324 and is included in public safety expenses. Principal and interest payable in the next fiscal year are \$68,143 and \$37,861, respectively.

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
DELHI, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 6 - Long-Term Obligations (continued)

All principal and interest requirements are funded in accordance with Louisiana law by the sales tax collected and are due as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 68,143	\$ 37,861	\$ 106,004
2020	70,699	35,305	106,004
2021	73,351	32,653	106,004
2022	76,102	29,602	106,004
2023	78,957	27,047	106,004
2024-2028	441,492	88,528	530,020
2029-2030	200,650	11,358	212,008

Note 7- Subsequent Events

Subsequent events have been evaluated through May 29, 2019, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

Note 8 - Prior Period Adjustment

In prior years, fixed assets were not reclassified out of capital outlay and capitalized. A prior period adjustment in the amount of \$18,729 was recorded to correct the fixed asset account balance on the general ledger. This resulted in a decrease of net assets for the year.

Note 9 - FEMA Grant

During the year, the Department received FEMA grant funds in the amount of \$171,905 for the purchase of various equipment and uniforms. All funds were expended during the year.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

Required Supplemental Information

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance With Final Budget Over(Under)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Sales Tax	\$ 303,648	\$ 303,648	\$ 322,377	\$ 18,729
Intergovernmental revenues:				
Grant Income	187,219	179,277	179,277	-
Fire Insurance rebates	13,000	11,833	11,833	-
Sales of Assets	-	-	77,500	77,500
Other Income	-	627	627	-
Total Revenues	<u>503,867</u>	<u>495,385</u>	<u>591,614</u>	<u>96,229</u>
Expenditures				
Wages	48,048	47,383	46,795	588
Volunteer Incentive Payments	20,000	12,298	12,498	(200)
Repairs and Maintenance	16,600	14,400	14,515	(115)
Supplies Used in Operations	3,000	1,100	1,432	(332)
Fire Prevention Awareness Day	3,500	3,500	3,622	(122)
Volunteer Travel/Mileage Reimbursement	3,500	4,339	4,339	-
Internet & Website Expense	2,300	3,210	3,211	(1)
Taxes and License	100	82	-	82
Volunteer Service Awards	200	200	32	168
Computer/Camera/Copier Expense	440	12,052	12,052	-
Fuel, Oil, Grease	3,500	3,000	2,853	147
Insurance	30,000	22,009	22,009	-
Utilities	4,000	3,250	3,039	211
Telephone	960	1,015	932	83
Uniforms and Safety Equipment	17,000	20,859	4,641	16,218
Dues, Fees & Publications	2,400	2,694	2,694	-
Office Supplies & Postage	578	592	501	91
Interest	106,004	106,032	106,032	-
Legal and Accounting	8,975	9,495	9,495	-
Audit and Review	7,000	5,000	5,000	-
Capital Outlay	15,300	53,733	53,733	-
Grant Dedicated Purchases	187,219	179,277	179,277	-
Training	1,000	9,500	9,159	341
Payroll Tax Expense	3,676	3,798	3,802	(4)
Miscellaneous Tools	500	507	507	-
Total Expenditures	<u>485,800</u>	<u>519,325</u>	<u>502,170</u>	<u>17,155</u>
Net Change in Fund Balance	18,067	(23,940)	89,444	113,384
Fund Balance at Beginning of Year (Restated)	26,110	26,110	26,110	-
Fund Balance at End of Year	<u>\$ 44,177</u>	<u>\$ 2,170</u>	<u>\$ 115,554</u>	<u>\$ 113,384</u>

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

DELHI VOLUNTARY FIRE DEPARTMENT, INC.
NOTES TO BUDGET COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

Preliminary budgets for the ensuing year are prepared by the secretary-treasurer during November of each year. During November, the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the December meeting. All annual appropriations lapse at year end. Encumbrance accounting is not used by the Department. Budgeted amounts included in the accompanying financial statements include the original adopted budget and one amendment for the year ended December 31, 2018.

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

OTHER SUPPLEMENTAL SCHEDULES

DELHI VOLUNTEER FIRE DEPARTMENT, INC.
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD,
POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2018

Name	Office	Reimbursements	Accounting Fees	Volunteer Per Diems	Salary
David Hale	President	-	-	1,000	-
Ken Hall	Fire Chief	884	-	1,890	981
Micah Duchesne	Vice President	75	-	2,170	24,209
John Mejias	Secretary	-	-	370	-
Gina Jones	Treasurer	80	9,850	-	-
Kelly Ford	Director	-	-	630	-
Clayton Cooper	Director	-	-	740	-

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

COMPLIANCE REPORTING

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*

Mr. David Hale, President
Delhi Volunteer Fire Department
Delhi, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Delhi Volunteer Fire Department, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued my report thereon dated May 29, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, I do not express an opinion on the effectiveness of the Department'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, detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Department'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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Mr. David Hale, President
Delhi Volunteer Fire Department
Delhi, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Delhi Volunteer Fire Department's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

This report is intended for the use of management of Delhi Volunteer Fire Department 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.

David M. South, CPA (APAC)

West Monroe, Louisiana
May 29, 2019

DELHI VOLUNTEER FIRE DEPARTMENT
DELHI, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Mr. David Hale, President
 Delhi Volunteer Fire Department
 Delhi, Louisiana

I have audited the financial statements of Delhi Volunteer Fire Department as of and for the year ended December 31, 2018, and have issued my report thereon dated May 29, 2019. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2018, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

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

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards – N/A

Material Weakness Identified ___yes ___no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes ___no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified ___ Qualified ___

Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with the Uniform Guidance, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance? N/A

DELHI VOLUNTEER FIRE DEPARTMENT
DELHI, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

No findings were reported under this section.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

DELHI VOLUNTEER FIRE DEPARTMENT
DELHI, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Delhi Volunteer Fire Department and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Delhi Volunteer Fire Department (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, 2018 through December 31, 2018. 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, I 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 findings obtained are described in the attachment to this report.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.

David M. Hartt, CPA (APAC)

West Monroe, Louisiana
May 29, 2019

SUPPLEMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

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
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **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)
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) 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.
 - j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Exceptions

The Department has policies regarding Payroll/Personnel and Travel and expense reimbursement. Currently, the Department is in the process of adopting the other policies listed above and should be in place by the end of the next fiscal year.

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.
 - 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.*
 - 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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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:
 - 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);
 - 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
 - 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.

Exceptions

The Entity is not initialing the preparation of the bank reconciliations, and there is no evidence of review by management. Except as noted, there are no exceptions identified in the performance of the procedures listed above.

Collections

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).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - 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.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Exceptions

The employee receiving cash is bonded. Except as noted, no other exceptions were identified in the performance of the procedures listed above.

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).
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.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exceptions

A listing of disbursements was obtained and from that, 25 disbursements were randomly selected. Purchase orders are not always used in purchasing but there is approval on the invoices, and they are presented to the Board at their meetings and approved there as well. There is only one person in charge of all areas of the accounting function. This person can add vendors to the computer system and has signatory authority. The Secretary/Treasurer has signatory authority along with the President and two other Board members. Blank checks are maintained in a locked filing cabinet and no signature stamp is used. Two signatures are required on all checks.

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.
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.]]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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).

Exceptions

The District has two credit cards account for purchases, and other than no written policy regarding credit cards there were no exceptions.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - 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).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions

Except as noted, no other exceptions were identified in the performance of the procedures listed above.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.*

Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Exceptions

The Department does not maintain any contracts.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - 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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the Department attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions

No exceptions were identified in the performance of the procedures listed above.