

**RED RIVER PARISHWIDE  
FIRE PROTECTION DISTRICT**

**FINANCIAL REPORT  
December 31, 2018**

Red River Parishwide Fire Protection District  
Financial Report  
December 31, 2018

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Red River Parishwide Fire Protection District  
Financial Report  
December 31, 2018

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# RED RIVER PARISHWIDE FIRE PROTECTION DISTRICT

P. O. Box 454  
Coushatta, LA 71019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Red River Parishwide Fire Protection District, Coushatta, Louisiana, (hereafter referred to as the "District") we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District as of and for the year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and supplemental information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

### FINANCIAL HIGHLIGHTS

The District experienced a decrease in its net position of \$876,279 during the fiscal year ended December 31, 2018. As of December 31, 2018, the assets of the District exceeded its liabilities by \$3,575,520. All of this amount is reported as "unrestricted net position" and represents the amount available to be used to meet the District's ongoing obligations to the citizens of Red River Parish.

Ad valorem tax revenues decreased \$41,115 from \$1,729,462 during 2017 to \$1,688,347 during 2018.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplemental information (budgetary schedules) and other reports in addition to the basic financial statements. These components are described below:

#### Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the District - the **Government-wide Financial Statements** and the **Fund Financial Statements**. These financial statements also include the **Notes to the Financial Statements** that explain some of the information in the financial statements and provide additional detail.

#### Government-wide Financial Statements

The government-wide financial statements provide a broad view of the District's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the District's financial position, which assists users in assessing the District's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid and include all assets of the District as well as all liabilities (including long-term debt). The government-wide financial statements include two statements:

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

- **The *Statement of Activities*** presents information showing how the District's net position changed during the most recent year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years. This statement also presents a comparison between direct expenses and program revenues for each function of the District.

Both of the above financial statements present the governmental activities of the District.

*Governmental Activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (grants). The services provided by the District fall into this category.

The government-wide financial statements can be found immediately following this discussion and analysis.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

*Governmental funds:* The basic services provided by the District are financed through the governmental fund. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the District's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the District.

Because the focus of the governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provides a reconciliation to facilitate this comparison between the governmental fund and the governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The District has one governmental fund, the General Fund, which is considered a major fund for presentation purposes.

The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

## Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

### Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the General Fund. Following the required supplemental information are other reports that are provided to show additional details.

## FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

### *Net Position*

Net position may serve over time as a useful indicator of the District's financial position. The District's net position totaled \$3,575,520 and \$4,451,799 at the end of fiscal years 2018 and 2017, respectively.

At December 31, 2018, \$2,491,185 (70%) of the District's net position reflects the District's investment in capital assets such as land, buildings, vehicles, and station equipment, less any related debt used to acquire those assets that is still outstanding, compared to \$1,731,920 (38%) at the end of the prior fiscal year. The District uses these capital assets to provide services to the citizens of Red River Parish; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities.

A summary of the statement of net position is as follows:

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
ASSETS-		
Current and Other Assets	\$1,868,880	\$3,233,637
Capital assets, Net of Accumulated Depreciation	<u>4,810,334</u>	<u>4,562,457</u>
Total Assets	<u>\$6,679,214</u>	<u>\$7,796,094</u>
Deferred Outflows of Resources	<u>\$1,648,548</u>	<u>\$1,472,809</u>
LIABILITIES-		
Other Payables	\$ 8,553	\$ 57,999
Long-term Debt	2,319,149	2,830,537
Net Pension Liability	<u>2,250,736</u>	<u>1,826,286</u>
Total Liabilities	<u>\$4,578,438</u>	<u>\$4,714,822</u>
Deferred Inflows of Resources	<u>\$ 173,804</u>	<u>\$ 102,282</u>
NET POSITION-		
Net Investment in Capital Assets	\$2,491,185	\$1,731,920
Unrestricted	<u>1,084,335</u>	<u>2,719,879</u>
Total Net Position	<u>\$3,575,520</u>	<u>\$4,451,799</u>

### ***Changes in Net Position***

The District's net position decreased by \$876,279 and \$538,360 during the years ended December 31, 2018 and 2017, respectively.

Approximately \$1,937,011 was derived from general revenues including ad valorem taxes, miscellaneous revenues, and interest during 2018 compared to \$1,946,977 during the prior year.

A summary statement of activities is as follows:

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Program Revenues-		
Grants and contributions	\$ 33,859	\$ 35,768
General Revenues:		
Ad valorem taxes	1,688,347	1,729,462
Interest/ Dividends	34,231	24,379
Miscellaneous	93,621	118,608
Gain/Loss Investments	19,256	(6,117)
Nonemployee Pension Revenue	<u>101,556</u>	<u>80,645</u>
Total Revenues	\$1,970,870	\$1,982,745
Expenses-		
Public safety	<u>2,847,149</u>	<u>2,521,105</u>
Change in Net Position	\$ (876,279)	\$ (538,360)
Net Position-Beginning of Year	<u>4,451,799</u>	<u>4,990,159</u>
Net Position-End of Year	<u>\$3,575,520</u>	<u>\$4,451,799</u>

### **FINANCIAL ANALYSIS OF THE INDIVIDUAL FUNDS**

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

#### ***Governmental Fund***

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

At the end of the current fiscal year, the District's governmental fund reported an ending fund balance of \$1,860,327, a decrease of \$1,315,311 in comparison with the prior year. This total amount is considered to be *unassigned fund balance*, which is available for spending at the District's discretion.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the District complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

The District's budget was not amended during the year. Expenditures were \$1,316,775 more than the budgeted amounts. Revenues, from all sources, available for expenditure were \$564 more than the budgeted amounts.

### **CAPITAL ASSET ADMINISTRATION**

The District's investment in capital assets for its governmental activities as of December 31, 2018 totaled \$7,191,199, net of accumulated depreciation of \$2,380,865, leaving a book value of \$4,810,334. This investment in capital assets consists of land, buildings, vehicles, and station equipment. Depreciation charges for the year 2018 totaled \$277,874.

### **DEBT ADMINISTRATION**

At the end of the current fiscal year, the District had a total long-term debt of \$4,569,885. Long-term debt of the District includes a net pension liability of \$2,250,736 based on actuarially determined amounts in accordance with GASB No. 68, long-term debt of \$109,149 for the purchase of a new truck, and a Certificate of Indebtedness of \$2,210,000.

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

The primary revenue source for the District is property taxes.

The following economic factors were considered when the budget for the fiscal year ended December 31, 2019 was prepared:

- The District expects property tax and intergovernmental revenues to remain the same during 2019.
- The District expects administrative and operating expenses to remain consistent with prior years.

### **CONTACTING THE DISTRICT**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Red River Parishwide Fire Protection District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District at P. O. Box 454, Coushatta, Louisiana 71019.

**T | C | B | T**  
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**INDEPENDENT AUDITOR'S REPORT**

Red River Parishwide Fire Protection District  
P. O. Box 454  
Coushatta, LA 71019

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and major fund of the Red River Parishwide Fire Protection District (District), a component unit of the Red River Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the 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 an opinion 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 and the *Louisiana Governmental Audit Guide*. 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 opinion.

## **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 major fund of the District as of December 31, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information in the Table of Contents is presented for purposes of additional analysis and is required by Louisiana Revised Statute R.S. 24:513 A.(3). This schedule is not a required part of the basic financial statements.

We have applied certain limited procedures to the Management's Discussion and Analysis 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 it because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2019, on our consideration of the Red River Parishwide Fire Protection 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 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 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 Red River Parishwide Fire Protection District's internal control over financial reporting and compliance.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 24, 2019, on the results of our state wide 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 state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*Thomas, Cunningham, Broadway & Todtenbier, CPAs*

Thomas, Cunningham, Broadway, & Todtenbier  
Natchitoches, Louisiana

June 24, 2019

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

Red River Parishwide Fire Protection District  
Statement of Net Position  
December 31, 2018

	Governmental <u>Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 173,203
Revenue Receivable	1,692,177
Other	<u>3,500</u>
Total Current Assets	\$1,868,880
Non-current Assets-	
Capital Assets (Net)	<u>4,810,334</u>
Total Assets	<u>\$6,679,214</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Pensions	<u>\$1,648,548</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 8,553
Current Portion of Long-term Debt	<u>529,149</u>
Total Current Liabilities	<u>\$ 537,702</u>
Long-Term Liabilities-	
Long-term Debt - Net of current portion	\$1,790,000
Net Pension Liability	<u>2,250,736</u>
Total Long-Term Liabilities	<u>\$4,040,736</u>
Total Liabilities	<u>\$4,578,438</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Pensions	<u>\$ 173,804</u>
NET POSITION:	
Net Investment in Capital Assets	\$2,491,185
Unrestricted	<u>1,084,335</u>
Total Net Position	<u>\$3,575,520</u>

See notes to financial statements.

Red River Parishwide Fire Protection District  
Statement of Activities  
December 31, 2018

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense) Revenue and Changes <u>in Net Position</u> <u>Governmental Activities</u>
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Public Safety	<u>\$2,847,149</u>	<u>\$0</u>	<u>\$33,859</u>	<u>\$(2,813,290)</u>
General Revenues:				
Taxes-				
Ad Valorem				\$ 1,688,347
Interest & Dividends				34,231
Miscellaneous				93,621
Gain (Loss) on Investments				19,256
Nonemployer Pension Revenue				<u>101,556</u>
Total General Revenues				<u>\$ 1,937,011</u>
Change in Net Position				\$ (876,279)
Net Position December 31, 2017				<u>4,451,799</u>
Net Position December 31, 2018				<u>\$ 3,575,520</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Red River Parishwide Fire Protection District  
Balance Sheet-Governmental Fund  
December 31, 2018

Assets:

Cash & Cash Equivalents	\$ 173,204
Revenue Receivable	1,692,177
Other	<u>3,500</u>
Total Assets	<u>\$1,868,881</u>

Liabilities:

Accounts Payable	\$ 8,554
------------------	----------

Fund Balance:

Unassigned	<u>1,860,327</u>
Total Liabilities and Fund Balance	<u>\$1,868,881</u>

See notes to financial statements.

Red River Parishwide Fire Protection District  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
December 31, 2018

Total Fund Balance of the Governmental Fund	\$ 1,860,327
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets used in Governmental Activities are not current financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet-	
Capital Assets	7,191,200
Less, Accumulated Depreciation	(2,380,866)
Deferred Outflows of Resources used in Governmental Activities are not financial resources and therefore are not reported in the Governmental Fund Balance Sheet-	
	1,648,548
Long-term Liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet-	
Certificate of Indebtedness	(2,210,000)
Long-Term Debt	(109,149)
Net Pension Liability	(2,250,736)
Deferred Inflows of Resources are not due and payable in the current period and, therefore are not reported in the Governmental Fund Balance Sheet-	
	<u>(173,804)</u>
Net Position of Governmental Activities	<u>\$ 3,575,520</u>

See notes to financial statements.

Red River Parishwide Fire Protection District  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
Governmental Fund  
Year Ended December 31, 2018

REVENUES:	
Taxes-	
Ad Valorem	\$ 1,688,347
Intergovernmental-	
Fire Insurance Rebate	33,860
Miscellaneous-	
Interest/Dividends	34,231
Unrealized Gains/Losses	19,255
Other/Donations	<u>93,621</u>
Total Revenues	<u>\$ 1,869,314</u>
EXPENDITURES:	
Current-	
Public Safety	\$ 2,101,588
Debt Service- Principal & Interest	557,287
Capital Expenditures	<u>525,750</u>
Total Expenditures	<u>\$ 3,184,625</u>
Deficiency of Revenues over Expenditures	\$(1,315,311)
Fund Balance-Beginning of Year	<u>3,175,638</u>
Fund Balance-End of Year	<u>\$ 1,860,327</u>

See notes to financial statements.

Red River Parishwide Fire Protection District  
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, 2018

Net Change in Fund Balance - Governmental Fund \$(1,315,311)

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

Governmental Funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

The cost of capital assets recorded in the current period is 525,751

Depreciation expense on capital assets is reported in the government-wide financial statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements.

Current year depreciation expense is (277,874)

Payments on Long-term Debt are shown as expenditures in the Governmental Fund; however, the payments reduce the Long-term Liabilities in the Statement of Net Position.

511,388

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in the Fund Financial Statements. These include a net change in-

Pension Expense (421,789)

The District's proportionate share of nonemployer contributions to the pension plan do not provide current financial resources and are not reported as revenue in the governmental funds

101,556

Change in Net Position of Governmental Activities \$ (876,279)

## NOTES TO FINANCIAL STATEMENTS

Red River Parishwide Fire Protection District  
Notes to Financial Statements  
December 31, 2018

Introduction:

The Red River Parishwide Fire Protection District (hereafter referred to as the District) was created by the Red River Parish Police Jury, as authorized by Louisiana Revised Statutes 40:1496-17. The District is governed by an eight-member board appointed by the Red River Parish Police Jury as follows: two members are from the Coushatta Fire District and one from each of the other six fire districts within Red River Parish. Board members serve without compensation. The District is responsible for maintaining and operating fire stations and equipment and for providing fire protection and rescue services to the residents of Red River Parish.

1. Summary of Significant Accounting Policies:

The accounting and reporting policies of Red River Parishwide Fire Protection District conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

A. Reporting Entity-

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Red River Parish Police Jury for financial reporting purposes. The basic criteria 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 Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Red River Parishwide Fire Protection District  
Notes to Financial Statements  
December 31, 2018

Because the Police Jury created and appoints the board members of the District, the District was determined to be a component unit of the Red River Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the fund maintained by the District and does not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Net Position presents the governmental-type activities on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, 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.

C. Fund Accounting-

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. 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 maintained is consistent with legal and managerial requirements.

The District maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The major fund of the District is described below:

Governmental Fund-

General Fund

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

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D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, and Equity-

Cash and Cash Equivalents-

For purposes of the Statement of Net Position, cash and cash equivalents include all demand accounts, savings accounts, and certificates of deposit of the District.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column 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 costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

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

<u>Description</u>	<u>Estimated Life</u>	<u>Capitalization Threshold</u>
Land	N/A	\$ 1
Communications Equipment	5 years	1,000
Vehicles	5 years	5,000
Other	5 years	5,000
Station Equipment	5 years	5,000
Land Improvements	20 years	5,000
Buildings	30 years	5,000
Building Improvements	20 years	5,000
Other Fixed Assets	5 years	5,000
Fire Trucks	5-15 years	5,000

Equity Classifications-

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

- a. 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.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;

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- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The General Fund has an unassigned fund balance of \$1,860,327. If applicable, the District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Budget-

Prior to the beginning of each fiscal year, the Red River Parishwide Fire Protection District adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year.

G. 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reported period. Actual results could differ from those estimates.

H. Deferred Outflows/Inflows of Resources-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

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2. Cash and Cash Equivalents:

The cash and cash equivalents of the Red River Parishwide Fire Protection District are subject to the following risk:

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

Bank account and Edward Jones account balances at December 31, 2018, totaled \$185,610, all of which is secured by FDIC.

3. Capital Assets:

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

Governmental Activities	Balance <u>01-01-18</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12-31-18</u>
Capital Assets Not Depreciated:				
Land	\$ 193,055	\$ 0	\$ 0	\$ 193,055
Construction in Progress	3,052,935	0	(3,052,935)	0
Land Improvements New Station	47,175	0	(47,175)	0
Capital Assets Depreciated:				
Buildings & building improvements	282,262	3,525,231	0	3,807,493
Vehicles	2,825,210	0	(330,880)	2,494,330
Equipment	<u>612,336</u>	<u>100,630</u>	<u>(16,644)</u>	<u>696,322</u>
Total Assets	<u>\$7,012,973</u>	<u>\$3,625,861</u>	<u>\$(3,447,634)</u>	<u>\$7,191,200</u>
Capital Assets Not Depreciated:				
Less: Accumulated Depreciation:				
Buildings & building improvements	\$ 276,693	\$ 71,729	\$ 0	\$ 348,422
Vehicles	1,714,151	155,581	(330,880)	1,538,852
Equipment	<u>459,672</u>	<u>50,564</u>	<u>(16,644)</u>	<u>493,592</u>
Total Depreciation	<u>\$2,450,516</u>	<u>\$ 277,874</u>	<u>\$(347,524)</u>	<u>\$2,380,866</u>
Net Capital Assets	<u>\$4,562,457</u>	<u>\$3,347,987</u>	<u>\$(3,100,110)</u>	<u>\$4,810,334</u>

Depreciation expense of \$277,874 was charged to the public safety function.

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4. Ad Valorem Taxes:

The District levies taxes on real and business personal property located within the boundaries of the Red River Parishwide Fire Protection District. Property taxes are levied by the District on property values assessed by the Red River Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Red River Parish Sheriff's office bills and collects property taxes for the District. Collections are remitted to the District monthly. The District recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax Sale	May 15

The District is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose, or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the District.

Assessed values are established by the Red River Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$231,410,490 in 2018. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$11,470,440 of the assessed value in 2018. For the year ended December 31, 2018, taxes of 7.58 mils were levied on the property and were dedicated to fire protection.

5. Long-Term Liabilities:

During the year ended December 31, 2016, the District had entered into an agreement with Republic National Corporation for the purchase of a RosenBauer Rescue Pumper at a cost of \$420,992 with an interest rate of 6.395%.

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The annual requirements to amortize all outstanding debt as of December 31, 2018, including interest expense is as follows:

<u>Payment Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Interest Portion</u>	<u>Principal Portion</u>
4	4/1/2019	<u>\$111,979</u>	<u>\$2,831</u>	<u>\$109,148</u>

For the year ended December 31, 2016, the District had issued \$3,000,000 in Certificates of Indebtedness, Series 2016. The Certificate of Indebtedness is to be paid from the existing ad valorem tax. The Certificates R-1 through R-7 were purchased by Whitney Bank of New Orleans, Louisiana. The interest rate is 1.575% to 1.725% with payment date of March 1<sup>st</sup> of each year for principal and interest, and September 1<sup>st</sup> of each year for interest only. Payments to begin March of 2017.

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 420,000	\$33,655
2020	430,000	26,684
2021	440,000	19,441
2022	455,000	11,889
2023	<u>465,000</u>	<u>4,011</u>
Total	<u>\$2,210,000</u>	<u>\$95,680</u>

6. Changes in Long-Term Debt:

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

<u>Governmental Activities</u>	<u>Balance 01-01-18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-18</u>
Capital Lease	\$ 215,537	\$ 0	\$106,388	\$ 109,149
Certificate of Indebtedness	2,615,000	0	405,000	2,210,000
Net Pension Liability	<u>1,826,286</u>	<u>424,450</u>	<u>0</u>	<u>2,250,736</u>
Net Pension Liability	<u>\$4,656,823</u>	<u>\$424,450</u>	<u>\$511,388</u>	<u>\$4,569,885</u>

7. Firefighters' Retirement System of Louisiana (FRS):

*Plan Description*

The District contributes to FRS which is a cost-sharing multiple employer defined benefit pension plan. FRS was established by Act 434 of 1979 to provide retirement, disability and survivor benefits to firefighters in Louisiana.

The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through FRS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

*Eligibility Requirements*

Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Membership in FRS is a condition of employment for all full-time firefighters (or any person in a position as defined in the municipal fire and police civil service system) who earn at least \$375 per month, excluding state supplemental pay, and are employed by any municipality, parish, or fire protection district of the State of Louisiana, excepting Orleans and Lafayette Parishes, in addition to employees of FRS.

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

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

FRS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at [www.lafirefightersret.com](http://www.lafirefightersret.com) or [www.la.state.la.us](http://www.la.state.la.us).

*Benefits Provided*

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

**Retirement**

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

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

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

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

### **Disability Benefits**

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

### **Death Benefits**

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

### **Deferred Retirement Option Plan (DROP)**

After completing 20 years of creditable service and attaining the age of 50 years, or 25 years at any age, a member may elect to participate in DROP for up to 36 months.

Upon commencement of participation in DROP, employer and employee contributions to FRS cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to FRS. No withdrawals may be made from the DROP account until the participant retires.

### **Initial Benefit Option Plan**

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

### **Cost-of-Living Increases**

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost-of-living adjustment (COLA) increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the Board to grant either of

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these increases the system must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLA's, pursuant to R.S. 11:241, the board may also grant an increase in the form of "Xx(A+B)" where "X" is any amount up to \$1/month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member of retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30<sup>th</sup> of the initial year of such increase.

*Contributions*

According to State statute, employer contributions are actuarially-determined each year. For the year ended June 30, 2018, employer and employee contributions for members above the poverty line were 26.50% and 10%, respectively. The employer and employee contribution rates for those members below the poverty line were 28.50% and 8.0%, respectively.

According to State statute, FRS also receives insurance premium tax funds from the State of Louisiana. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue, but are not considered special funding situations. Non-employer contributions recognized in the current year were \$101,556.

The District's contractually required composite contribution rate for the year ended December 31, 2018 was 26.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were \$246,834 for the year ended December 31, 2018.

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

At December 31, 2018, the District reported a liability of \$2,250,736 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was .391291%, which was an increase of .07267% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the District recognized pension expense of \$386,380 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$283,115.

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At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$171,306
Changes in assumption	146,353	357
Net difference between projected and actual earnings on pension plan investments	157,009	0
Changes in employer's proportion of beginning net pension liability	1,223,778	0
Differences between employer contributions and proportionate share of employer contributions	21	2,141
Subsequent Measurement Contributions	121,387	0
Total	\$1,648,548	\$173,804

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date in the amount of \$121,387, will be recognized as a reduction of the Net Pension Liabilities in the year December 31, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ 411,190
2020	325,585
2021	223,978
2022	231,304
2023	105,221
2024	56,079
Total	\$1,353,357

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*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 is as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.3% net of investment expense.
Mortality	The mortality rate assumption used was based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the FRS's liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.
Salary Increases, including inflation (2.700%) and merit	Vary from 15.0% in the first two years of service to 4.75% with 25 or more years of service; includes inflation and merit increases

The discount rate used to measure the total pension liability was 7.3%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the board of trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the actuary. Based on those assumptions, the FRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The resulting long-term expected arithmetic nominal rate of return was 8.09% as of June 30, 2018. Best estimates of arithmetic real rates of return for each major asset class includes in FRS' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
		<u>Real</u>
Equity	54%	20.34%
Fixed Income	26%	1.76%
Alternatives	10%	13.11%
Others	10%	9.20%
Total	<u>100%</u>	
Inflation		
Expected Arithmetic Nominal Return		

*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the District's proportionate share of the Net Pension Liability using the discount rate of 7.3%, as well as what the District's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.3%) or one percentage-point higher (8.3%) than the current rate:

	1.0% Decrease (6.4%)	Current Discount Rate (7.4%)	1.0% Increase (8.4%)
Employer's proportionate share of net pension liability	\$3,284,356	\$2,250,736	\$1,382,140

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighters' Retirement System of Louisiana Annual Financial Report at [www.lafirefightersret.com](http://www.lafirefightersret.com) or on [www.lla.state.la.us](http://www.lla.state.la.us).

8. Pending Litigation:

There were no civil suits seeking damages against the District outstanding at December 31, 2018.

9. Related Party Transactions:

The District had no identified related party transactions for the year ended December 31, 2018.

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10. Compensation Paid to Board Members:

The members of the Board of Commissioners of the District receive no compensation for their services.

11. Receivables:

The District had Ad Valorem Taxes receivable of \$1,692,177 at December 31, 2018. Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

12. On-Behalf Payments:

Employees of the District receive supplemental pay from the State. In accordance with GASB Statement No. 24, the District has recorded revenues and expenditures for these payments in the General Fund:

Fire Department	<u>\$92,700</u>
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13. Subsequent Events:

Management has evaluated events through June 24, 2019, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

REQUIRED SUPPLEMENTAL INFORMATION

Red River Parishwide Fire Protection District  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2018

	<u>Budget</u> <u>Original</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES:			
Taxes-			
Ad Valorem	\$1,800,000	\$ 1,688,347	\$ (111,653)
Intergovernmental-			
Fire Insurance Rebate	34,000	33,860	(140)
Miscellaneous-			
Interest	12,000	1,857	(10,143)
Dividends	15,250	32,375	17,125
Other	7,500	93,620	86,120
Unrealized Gains/Losses	<u>0</u>	<u>19,255</u>	<u>19,255</u>
Total Revenues	<u>\$1,868,750</u>	<u>\$ 1,869,314</u>	<u>\$ 564</u>
EXPENDITURES:			
Public Safety-			
Fuel	\$ 30,000	\$ 31,002	\$ (1,002)
Insurance	309,450	341,739	(32,289)
Debt Service	1,000	557,287	(556,287)
Fire Fighting Support	20,000	9,569	10,431
Office	30,400	43,990	(13,590)
Pension Fees	220,000	246,834	(26,834)
Professional Services	72,000	55,237	16,763
Education/Training/Travel	30,500	40,240	(9,740)
Capital Outlay	40,000	525,750	(485,750)
Repairs & Maintenance	77,500	127,158	(49,658)
Personnel Expense	932,500	1,101,158	(168,658)
Uniforms	15,000	12,980	2,020
Utilities	32,500	39,605	(7,105)
Lease/Rental	15,000	7,448	7,552
Tools	36,000	3,514	32,486
Realized Loss on Investments	0	40,634	(40,634)
Miscellaneous	<u>6,000</u>	<u>480</u>	<u>5,520</u>
Total Expenditures	<u>\$1,867,850</u>	<u>\$ 3,184,625</u>	<u>\$(1,316,775)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 900	\$(1,315,311)	\$(1,316,211)
Fund Balance-Beginning of Year	<u>3,175,638</u>	<u>3,175,638</u>	<u>0</u>
Fund Balance-End of Year	<u>\$3,176,538</u>	<u>\$ 1,860,327</u>	<u>\$(1,316,211)</u>

See independent auditor's report.

Red River Parishwide Fire Protection District  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended December 31, 2018

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Firefighter's Retirement System</u>				
Employer's Proportion of the Net Pension Liability (Asset)	.09242%	.25916%	.31862%	.39129%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$498,801	\$1,695,122	\$1,826,287	\$2,250,736
Employer's Covered Employee Payroll	\$433,769	\$ 708,114	\$ 842,028	\$ 931,449
Employer's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	115%	240%	217%	242%
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	72.45%	68.16%	73.55%	74.76%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended December 31, 2018.

See independent auditor's report.

Red River Parishwide Fire Protection District  
Schedule of Employer Contributions  
For the Year Ended December 31, 2018

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Firefighter's Retirement System</u>				
Contractually Required Contributions Contributions in Relation to Contractually Required Contribution	\$122,175	\$185,759	\$218,340	\$246,834
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Employer's Covered Employee Payroll Contributions as a Percentage of Covered Employee Payroll	\$433,769 28.17%	\$708,114 26.23%	\$842,028 25.93%	\$931,449 26.50%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended December 31, 2018.

See independent auditor's report.

Red River Parishwide Fire Protection District  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2018

Agency Head Name: Robert Yarbrough, Chairman

<u>Purpose</u>	<u>Amount</u>
Salary	\$0
Benefits-Insurance	0
Benefits-Retirement	0
Deferred Compensation	0
Benefits-Other	0
Car allowance	0
Vehicle provided by government	0
Cell phone	0
Dues	0
Vehicle rental	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Housing	0
Unvouchered expenses	0
Special meals	0
Other	<u>0</u>
Total	<u>\$0</u>

See independent auditor's report.

## OTHER REPORTS

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

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

Red River Parishwide  
Fire Protection District  
P. O. Box 454  
Coushatta, LA 71019

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Red River Parishwide Fire Protection District's (District) basic financial statements and have issued our report thereon dated June 24, 2019.

**Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Audit Findings as item 2018-001.

## **Red River Parishwide Fire Protection District's Responses to Findings**

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

## **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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Thomas, Cunningham, Broadway & Todtenbier, CPAs*

Thomas, Cunningham, Broadway, & Todtenbier  
Natchitoches, Louisiana

June 24, 2019

Red River Parishwide Fire Protection District  
Schedule of Audit Findings  
Year Ended December 31, 2018

I. SUMMARY OF AUDIT FINDINGS

The following summarize the audit findings:

1. An unmodified opinion was issued on the financial statements of the Red River Parishwide Fire Protection District as of and for the year ended December 31, 2018.
2. There were no material weaknesses noted in internal control during the audit of the financial statements.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*, see 2018-001.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Compliance-

*2018-001 Local Government Budget Act*

*Criteria* - Louisiana Revised Statutes require that the operating budget be amended if actual revenues are less than budgeted revenues by 5% or more and/or actual expenditures exceed budgeted expenditures by 5% or more.

*Condition* - For the year ended December 31, 2018, actual expenditures were more than budgeted expenditures by more than 5%, and the budget was not amended accordingly.

*Effect* - The budget cannot be used as an effective management tool to control revenues and expenditures.

*Cause* - Oversight of management to ensure the budget was properly amended prior to the year end.

*Recommendation* - The District should institute procedures to ensure that the budget is amended to comply with the Local Government Budget Act.

*Management's Response* - The District will institute policies and procedures to ensure the budget is properly amended prior to end of the year to be in compliance with Budget Act.

II. PRIOR YEAR AUDIT FINDINGS

Internal Control-

*2017-001 Control over Financial Reporting and Reconciliations*

*Condition* - For the year ended December 31, 2017, books of account including cash receipts and disbursements journals and general ledgers were not prepared and maintained on a monthly basis. General ledger accounts, primarily cash and accounts receivable were not being reconciled.

*Status* - This finding is cleared for the year ended December 31, 2018.

Red River Parishwide Fire Protection District  
Schedule of Audit Findings (continued)  
Year Ended December 31, 2018

Compliance-

*2017-002 Cash Balance Unsecured*

*Condition* - The District's cash balances at Edward Jones were not secured by FDIC or pledged securities.

*Status* - This finding is cleared for the year ended December 31, 2018.

*2017-003 Local Government Budget Act*

*Condition* - For the year ended December 31, 2017, actual expenditures were more than budgeted expenditures by more than 5%, and the budget was not amended accordingly.

*Status* - Repeat finding, see 2018-001.

**T | C | B | T**  
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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
STATEWIDE AGREED-UPON PROCEDURES**

Red River Parishwide  
Fire Protection District  
P. O. Box 454  
Coushatta, LA 71019

We have performed the procedures enumerated below, which were agreed to by Red River Parishwide Fire Protection District (the "District") 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 District 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 enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are enumerated below.

***Written Policies and Procedures***

---

1. We obtained and inspected the entity's written policies and procedures and observed whether those written policies and procedures address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
  - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ***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.
  - ***Disbursements***, including processing, reviewing, and approving.

- **Receipts**, 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.)
- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **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).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **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.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

a) *Procedure Results - The entity does not have any written policies and procedures.*

**Board (or Finance Committee, if applicable)**

---

2. We obtained and inspected the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
  - Observed 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.
  - Observed 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. *Alternatively, 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.*

- For governmental entities, obtained the prior year audit report and observed 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, observed 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.

*a) Procedure Results- No exceptions noted.*

### ***Bank Reconciliations***

---

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We identified the entity's main operating account. We selected the entity's main operating account and randomly selected four additional accounts (or all if less than five). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
  - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
  - 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
  - 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.

*a) Procedure Results - We noted one exception. One bank reconciliation was not prepared within two months.*

### ***Collections***

---

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected the required amount of deposit sites (up to five).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that:
  - Employees that are responsible for cash collections do not share cash drawers/registers.
  - 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.
  - 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 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. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
  7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under “Bank Reconciliations” above. We obtained supporting documentation for each of the deposits selected and:
    - We observed that receipts are sequentially pre-numbered.
    - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
    - We traced the deposit slip total to the actual deposit per the bank statement.
    - We observed 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).
    - We traced the actual deposit per the bank statement to the general ledger.
- a) *Procedure Results - No exceptions noted.*

**Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)**

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, we obtained 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 we observed that job duties are properly segregated such that:
  - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - At least two employees are involved in processing and approving payments to vendors.
  - 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.
  - 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, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:

- We observed that the disbursement matched the related original invoice/billing statement.
- We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*a) Procedure Results - We noted one exception. An invoice was not provided for one of the disbursements sampled.*

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

11. We obtained 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. We obtained management's representation that the listing is complete.

12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), and obtained supporting documentation, and:

- We observed 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.
- We observed 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, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.

*a) Procedure Results - We noted one exception. There were some missing itemized receipts, public purpose documentation and list of meal recipients for the credit cards sampled.*

#### ***Travel and Expense Reimbursement***

---

14. We obtained 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. We randomly selected five reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

- If reimbursed using a per diem, we agreed the reimbursement rate to those rates established by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

- If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- We observed that each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*a) Procedure Results - Not applicable. No travel reimbursements were identified for testing.*

### ***Contracts***

---

15. We obtained 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. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, and:

- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment.
- We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

*a) Procedure Results - Not required due to no exceptions in this category in the prior year.*

### ***Payroll and Personnel***

---

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:

- We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- We observed that supervisors approved the attendance and leave of the selected employees/officials.
- We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected the two employees/officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations. If applicable, we agreed the hours to the employees/officials' cumulative leave records and the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. We obtained 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.
- a) *Procedure Results - No exceptions noted.*

***Ethics (excluding nonprofits)***

---

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:
- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - We observed 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.
- a) *Procedure Results - Ethics certifications could not be provided for three of the five employees sampled. There was no documentation that any employees had read the ethics policy.*

***Debt Service (excluding nonprofits)***

---

21. We obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. We selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.
- a) *Procedure Results - Not required due to no exceptions in this category in the prior year.*

***Other***

---

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
- a) *Procedure Results - We noted no exceptions. Management represented that they are not aware of any misappropriations.*

24. We observed whether 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.

a) *Procedure Results - The notice is not posted on the website.*

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 the Statewide Agreed-Upon Procedures. 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.

This report is intended solely for the information and use of Red River Parishwide Fire Protection District and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than the specified parties.

Respectfully,

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway, & Todtenbier  
Natchitoches, Louisiana

June 24, 2019

Red River Parishwide Fire Protection District  
Management's Response to Exceptions to  
Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2018

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

- Item 1: Management asserts that there are presently certain procedures in place that address many of the outlined functions; however, these procedures are not in writing. Management will design and implement written policies and procedures.
- Item 3: Management will implement procedures to ensure bank reconciliations are prepared within two months of the related statement closing date
- Item 10: The District will implement necessary policies and procedures to ensure all disbursements are supported by and original invoice/receipt.
- Item 13: Management will implement procedures to ensure all credit card transactions are supported by itemized receipts, public purpose documentation and list of meal recipients.
- Item 20: Management will immediately notify employees of the required ethics training and implement procedures to ensure that the required certifications are maintained.
- Item 24: Management will ensure the notice required by R.S. 24:523.1 is posted on its website.