

**FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE**

LIVONIA & FORDOCHE, LOUISIANA

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2017

**FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
TABLE OF CONTENTS
DECEMBER 31, 2017**

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS	9
Statement of Net Position	10
Statement of Activities	11
Balance Sheet – Governmental Fund – General Fund	12
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund-Type – General Fund	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance of the Governmental Funds to the Statement of Activities	14
NOTES TO THE FINANCIAL STATEMENTS	15-26
REQUIRED SUPPLEMENTARY INFORMATION	27
Budgetary Comparison Schedule – General Fund	28
SUPPLEMENTARY INFORMATION	29
Taxable Property Valuations	30
Schedule of Compensation, Benefits, and Other Payments to Agency Head	31
REPORTS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>	32
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 <i>Government Auditing Standards</i>	33-34
Schedule of Findings and Responses	35-36
Summary Schedule of Prior Year Findings	37
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED- UPON PROCEDURES	39-53

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INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana, (the "District"), as of and for the year ended December 31, 2017, 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. 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.

INDEPENDENT AUDITOR'S REPORT (continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Fire Protection District No. 4 of the Parish Pointe Coupee, Louisiana as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 27 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Taxable Property Valuations and Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In 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 21, 2018 on our consideration of Fire Protection District No. 4 of the Parish of Pointe Coupee's internal control over financial reporting and on our tests of its compliance with certain provisions, 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 District's internal control over financial reporting and compliance.

Baxley & Associates, LLC

Plaquemine, Louisiana
June 21, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

As management of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana, we are pleased to provide an overview of our financial activities for the year ended December 31, 2017. The intended purpose of the Management's Discussion and Analysis (MD&A) is to provide an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions. The MD&A provides an easily readable summary of operating results and reasons for changes that will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, adherence to budget, service levels, limitations, significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior year data in this analysis, we will be drawing upon information from last year's audited financial report.

FINANCIAL HIGHLIGHTS

- The District's net position decreased by \$118,536 from \$2,998,606 in 2016 to \$2,880,070 in 2017.
- Ad valorem taxes decreased from \$859,356 in 2016 to \$735,342 in 2017.
- Revenues from the quarter cent sales tax increased by \$4,984 from \$159,310 in 2016 to \$164,294 in 2017.
- Cash and cash equivalents decreased by \$41,294 for the year ended December 31, 2017.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The Government-Wide Financial Statements, presented on pages 10 and 11, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

**FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

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

Fund Financial Statements

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

Governmental funds, presented on pages 12 through 14, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

Notes to the Financial Statements

The notes, presented on pages 15 through 26, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At the end of the most recent year, the assets of the District exceeded its liabilities by \$2,880,070.

The District's net position is mainly composed of \$2,101,290 net invested in capital assets (land, buildings, vehicles and equipment, etc.). The District uses these capital assets to provide fire protection services to residents and businesses that encompass the area from the parish line at west Baton Rouge to the middle of the Atchafalaya River at the St. Landry Parish Line from the Iberville Parish line near north Maringouin along Highway 77 to Highway 10 and along Highway 78 to the BP Amoco Plant. Protection is also provided inside the corporate limits of the Town of Livonia and the Village of Fordoche. Consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position, \$778,780, may be used to meet the District's future operations.

SUMMARY OF NET POSITION

	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 1,063,937	\$ 1,198,170
Capital assets	<u>2,101,290</u>	<u>1,989,463</u>
Total assets	<u>3,165,227</u>	<u>3,187,633</u>
Current and other liabilities	47,422	67,020
Noncurrent liabilities	<u>237,735</u>	<u>122,007</u>
Total liabilities	<u>285,157</u>	<u>189,027</u>
Net position -		
Net invested in capital assets	2,101,290	1,867,456
Unrestricted	<u>778,780</u>	<u>1,131,150</u>
Total net position	<u>2,880,070</u>	<u>2,998,606</u>

**FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The District's total revenues decreased by \$125,821 from \$1,077,745 in 2016 to \$951,924 in 2017.

Total expenses increased by \$61,343 from \$1,009,117 in 2016 to \$1,070,460 in 2017. This is due to an increase in salaries in 2017, increase purchases of fixed assets in 2017, and an increase in vehicle maintenance in 2017. From the proceeds of the revenues, the District spent \$354,134 on salaries for part time-time firemen to man the fire stations for the protection of the District.

Changes in Net Position		
	Governmental Activities	
	2017	2016
Revenues:		
Taxes	\$ 899,636	\$ 1,018,666
Intergovernmental revenues	24,786	23,424
Interest income and other revenue	27,502	35,655
Total Revenues	951,924	1,077,745
Expenses:		
Operating	820,183	759,429
Depreciation	250,277	249,688
Total Expenses	1,070,460	1,009,117
Change in Net Position	(118,536)	68,628
Beginning Net Position	2,998,606	2,929,978
Ending Net Position	\$ 2,880,070	\$ 2,998,606

GOVERNMENTAL FUND FINANCIAL ANALYSIS

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

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

The net position of the District decreased by \$118,536 during the current year.

**FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

BUDGETARY HIGHLIGHTS

The District's annual budget is the legally adopted expenditure control document of the District. A budgetary comparison statement is required and can be found on page 28. This statement compares the original adopted budget, the budget if amended throughout the year, and the actual expenditures prepared on a budgetary basis.

Actual revenues of \$951,924 exceeded budgeted revenues of \$917,700 by \$34,224, while actual expenditures of \$1,066,559 exceeded budgeted expenditures of \$1,042,700 by \$23,859.

CAPITAL ASSETS

At December 31, 2017 and 2016, the District had \$2,101,290 and \$1,989,463, respectively, invested in a broad range of capital assets, including land, buildings, vehicles, and equipment. Further detail on capital assets is presented in Note C on page 22.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District serves a population estimated at over 4,500 and two incorporated areas – Fordoche and Livonia. With the passage of a .25% sales tax in 2007, the District has attained a PIAL-in Rating of 3 and a PIAL-Out Rating of 4. The attainment of these low ratings brings increased operating costs and new requirements mandated by the State Fire Marshall. These items made it necessary for management to consider these factors in making future budget projections. Consequently, management has projected budget operations to December 31, 2017. Long range projections assist management in evaluating net acquisitions or replacements to keep the fire insurance rating at a level that will return fire protection and an economic benefit to its taxpayers.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. If you have questions about this report or need additional financial information, contact Renee Cashio, Secretary of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana at (225) 637-3834.

BASIC FINANCIAL STATEMENTS

**FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 308,718
Inventory	532
Receivables:	
Ad valorem taxes	706,764
Sales taxes	12,175
State revenue sharing	4,604
Prepaid expense	136
Prepaid insurance	31,008
Capital assets (net of accumulated depreciation):	
Land	131,000
Buildings	402,128
Firefighting equipment and tools	167,382
Fire hydrants and water supply lines	40,805
Radios and paging equipment	132,668
Vehicles	922,863
Medical equipment	284,159
Health and wellness equipment	759
Furniture, fixtures, and equipment	19,526
	<hr/>
TOTAL ASSETS	\$ 3,165,227
LIABILITIES	
Accounts payable	\$ 2,160
Accrued wages payable	12,524
Deduction from ad valorem taxes	32,738
Noncurrent liabilities:	
Due within one year	45,440
Due in more than one year	192,295
	<hr/>
TOTAL LIABILITIES	285,157
NET POSITION	
Net invested in capital assets	2,101,290
Unrestricted	778,780
	<hr/>
TOTAL NET POSITION	\$ 2,880,070

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 4 OF THE
 PARISH OF POINTE COUPEE, LOUISIANA
 STATEMENT OF ACTIVITIES
 DECEMBER 31, 2017

	Program Revenues			Net Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Public safety	\$ 1,070,460	-	-	\$ (1,070,460)
Total Governmental Activities	\$ 1,070,460	-	-	(1,070,460)

General Revenues:

Taxes:

Ad valorem taxes	735,342
Sales taxes	164,294
General intergovernmental revenues	24,786
Interest earnings	3,428
Other	24,074

Total General Revenues 951,924

Change in Net Position (118,536)

Net Position at the Beginning of Year 2,998,606

Net Position at End of Year \$ 2,880,070

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
DECEMBER 31, 2017

	General Fund
ASSETS	
Cash and cash equivalents	\$ 308,718
Inventory	532
Receivables:	
Ad valorem taxes	706,764
Sales taxes	12,175
State revenue sharing	4,604
Prepaid expenses	136
Prepaid insurance	31,008
TOTAL ASSETS	\$ 1,063,937
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 2,160
Accrued wages payable	12,524
Deduction from ad valorem taxes	32,738
Total Liabilities	47,422
Fund Balance:	
Nonspendable: prepaid	31,144
Unassigned	985,371
Total Fund Balances - Governmental Fund	1,016,515
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	2,101,290
Long-term liabilities of governmental funds, including capital leases and notes payable are not due and payable in the current period and, therefore, are not reported in the funds.	(237,735)
Net position of governmental activities	\$ 2,880,070

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

REVENUES

Taxes -		
Ad valorem taxes	\$	735,342
Sales taxes		164,294
Intergovernmental revenues -		
State fire insurance rebate		17,878
State revenue sharing		6,908
Miscellaneous revenues -		
Interest income		3,428
Other		24,074
TOTAL REVENUES		<u>951,924</u>

EXPENDITURES

Current operations -		
Salaries		354,134
Payroll taxes		5,395
Deferred compensation		21,108
Professional fees		15,008
Tax collector fees		32,738
Computer services		12,473
Dispatch		34,754
Vehicle maintenance		78,944
Equipment maintenance		11,743
Building maintenance		33,752
Uniforms and protective gear		33,587
Supplies and small tools		17,391
Utilities		16,964
Telephone		4,139
Insurance		91,053
Training and fire prevention		44,452
Supplies, postage and printing		3,669
Dues and subscriptions		1,271
Fire prevention materials		1,368
Miscellaneous		1,648
Capital outlays -		
Radios and paging equipment		5,015
Rescue equipment		16,935
Furniture, fixtures, and equipment		2,419
Debt service -		
Principal retirement		222,007
Interest expense		4,592
TOTAL EXPENDITURES		<u>1,066,559</u>

**EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES** (114,635)

FUND BALANCE AT BEGINNING OF YEAR 1,131,150

FUND BALANCE AT END OF YEAR \$ 1,016,515

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fire Protection District No. 4 of the Parish of Pointe Coupee (the "District") was created by a resolution of the Pointe Coupee Parish Police Jury in 1981. The District operates under a commission form of government and provides fire protection services to all the territory situated within the limits of Pointe Coupee Election Districts 10 and 11. The Election Districts were constituted in 1981, and it was created in accordance with the authority of LRS 40:1494, and Article VI, Section 19 of the Constitution of the State of Louisiana for the year 1974 and other constitutional and statutory authority supplemental thereto and Local Services Agreements entered into by this Police Jury, the Mayor and Board of Aldermen of the Town of Livonia, and the Mayor and Board of Aldermen of the Town of Fordoche, Louisiana.

Reporting Entity

As stated previously, the District was created by a resolution of the Pointe Coupee Parish Police Jury in 1981 and is a political subdivision of the Pointe Coupee Parish Police Jury. In accordance with LRS 40:1494, the District is managed by a board of five commissioners. Two commissioners are appointed by the Pointe Coupee Parish Police Jury, one appointed by the Town of Livonia, and one appointed by the Town of Fordoche. These four commissioners then appoint the fifth to act as chairperson.

Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34*, established criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the District is considered a component unit of the Pointe Coupee Parish Police Jury. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the District.

Government-wide and Fund Financial Statements

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

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Measurement Focus and Basis of Accounting

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

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Ad valorem tax revenues in the General Fund are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is not considered material. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if susceptible to accrual criteria are met.

The following major fund is used by the District in its governmental funds:

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

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

Assets, Liabilities, Net Position, and Fund Balances

Cash, Cash Equivalents, and Investments

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

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

State statutes authorize the District to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. Cash deposits are reported at carrying amount which reasonably estimates fair value.

Receivables

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

Inventories

Purchases of operating supplies by governmental fund types are recorded as expenditures when purchased; inventories of such supplies are not recorded and are not considered by management to be material. Inventory is stated at the lower of cost or market.

Capital Assets and Depreciation

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

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

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

Buildings	40 years
Vehicles	15 years
Firefighting equipment and tools	10 years
Radios and paging equipment	10 years
Fire hydrants and water supply lines	25 years
Furniture, fixtures, and office equipment	5 & 12 years
Health and wellness equipment	10 years

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2017, there were no amounts considered to be uncollectible.

Long-term Liabilities

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

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

Net Position

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

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

Fund Balance

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

- Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As of December 31, 2017, all fund balances were designated as nonspendable (\$31,144) and unassigned (\$985,371).

Deferred Outflows/Inflows of Resources

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

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

Use of Estimates

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

Sales Tax

Fire Protection District No. 4 of the Parish of Pointe Coupee accounts for the collection of the 2% Policy Jury Sales Tax from the Pointe Coupee Parish Tax Collector. The District receives 5% of the 2% Police Jury Sales Tax. For the year ended December 31, 2017, the amount of sales tax received by the District was \$164,294.

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Information

Policy and Practice

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

Basis of Budgeting

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

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

NOTE B – CASH, CASH EQUIVALENTS, AND INVESTMENTS

At December 31, 2017, the status of deposited funds and collateralized balances are as follows:

	<u>Bank Balances 12/31/17</u>	<u>FDIC Insurance</u>	<u>Balances Uninsured</u>
Cash	\$ 316,446	\$ 262,443	\$ 54,003
Uncollateralized--			
Securities pledged and held by custodial banks in the name of fiscal agent banks, at fair market value, at December 31, 2017			<u>585,915</u>
Excess of FDIC insurance and pledged securities over cash at December 31, 2017			<u>\$ 531,912</u>

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE B – CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

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

Investments

The District did not maintain investments at December 31, 2017. All investments that were previously held by the District matured and the funds were deposited into the District's savings account.

NOTE C – CAPITAL ASSETS

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

	<u>Balance 1/1/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2017</u>
Land	\$ 131,000	\$ -	\$ -	\$ 131,000
Buildings	675,921	-	-	675,921
Vehicles	2,229,633	337,735	-	2,567,368
Firefighting equipment and tools	833,390	-	-	833,390
Radios and paging equipment	816,986	5,015	-	822,001
Medical equipment	495,082	16,935	-	512,017
Furniture, fixtures, and equipment	82,316	2,419	-	84,735
Fire hydrant and water supply lines	126,486	-	-	126,486
Health and wellness equipment	2,279	-	-	2,279
Total Capital Assets	\$ 5,393,093	\$ 362,104	\$ -	\$ 5,755,197

	<u>Accumulated Depreciation Balance 1/1/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Accumulated Depreciation Balance 12/31/2017</u>	<u>Capital Assets Net of Accumulated Depreciation</u>
Land	\$ -	\$ -	\$ -	\$ -	\$ 131,000
Buildings	257,082	16,711	-	273,793	402,128
Vehicles	1,552,401	92,104	-	1,644,505	922,863
Firefighting equipment and tools	622,478	43,530	-	666,008	167,382
Radios and paging equipment	644,899	44,434	-	689,333	132,668
Medical equipment	181,785	46,073	-	227,858	284,159
Furniture, fixtures, and equipment	61,976	3,233	-	65,209	19,526
Fire hydrant & water supply lines	81,717	3,964	-	85,681	40,805
Health and wellness equipment	1,292	228	-	1,520	759
Total Accumulated Depreciation	\$ 3,403,630	\$ 250,277	\$ -	\$ 3,653,907	\$ 2,101,290

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE C – CAPITAL ASSETS (CONTINUED)

Depreciation for the year ended December 31, 2017 was \$250,277.

NOTE D – LONG-TERM DEBT

The summary of changes in governmental activities long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2017 is as follows:

	<u>Beginning Balance</u>	<u>Additions/ Proceeds</u>	<u>Reductions/ Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital lease obligations:					
Government Capital Corp 2011	122,007	-	(122,007)	-	-
Republic First National Corporation	-	337,735	(100,000)	237,735	45,440
Total Governmental Activities	<u>\$ 122,007</u>	<u>\$ 337,735</u>	<u>\$ (222,007)</u>	<u>\$ 237,735</u>	<u>\$ 45,440</u>

The debt outstanding at December 31, 2017 is as follows:

Republic First National Corporation

On March 13, 2017, the District entered into a capital lease agreement for the purchase of one new fire truck in the amount of \$337,735 which matures on February 1, 2022. Annual installments of \$51,535 will be paid which includes an interest rate of 2.60%.

\$ 237,735

Government Capital Corporation

On November 15, 2011, the District entered into a capital lease agreement for the purchase of two new fire trucks and for the refinancing of the existing lease agreement in the amount of \$583,700 which matures on January 15, 2019. Annual installments of \$95,897 will be paid which includes an interest rate of 3.475%. Additional principal payments were made in 2015 and 2016 with the remaining balance being paid in full in 2017.

-

Total Debt Outstanding at December 31, 2017

\$ 237,735

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE D – LONG-TERM DEBT (CONTINUED)

The annual debt service including interest of \$19,938 is as follows:

Year	Government Capital Corporation
2018	\$ 51,535
2019	51,535
2020	51,535
2021	51,534
2022	51,534
	<u>\$ 257,673</u>

NOTE E – AD VALOREM TAXES

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

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

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

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

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

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE E – AD VALOREM TAXES (CONTINUED)

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

For the year ended December 31, 2017, taxes of \$773,031 were levied on property with assessed valuations totaling \$70,855,275 at the rate of 10.91 mills for the following purposes: (1) maintaining and operating the District's fire protection facilities, (2) purchasing fire trucks and other firefighting equipment, (3) paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service, and (4) paying the cost of acquiring, improving, or constructing fire protection facilities of the Fire Protection District, constituting works of public improvement, title to which shall be in the public.

NOTE F – DEFERRED COMPENSATION PLAN

In January 2014, the District implemented a deferred compensation plan under Section 457 of the Internal Revenue Code for its employees. All employees of the District are required to participate in the deferred compensation plan. Employees are required to contribute a minimum of 6.0% of their gross compensation into the deferred compensation plan and may contribute a higher percentage of their gross compensation, if requested. The District matches the 6.0% employee contribution and does not match any additional employee contributions to the deferred compensation plan. Upon termination of employment, retirement, death, or the occurrence of an unforeseeable emergency, the employee (or their beneficiaries) may withdraw the contributions plus interest at a reasonable rate. Contributions made by the employee and the employer are managed by an independent third-party administrator selected by the District. The District's contributions to the deferred compensation plan for the years ended December 31, 2017, 2016, and 2015 were \$21,108, \$17,746, and \$13,388, respectively.

NOTE G – RISK RETENTION

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee medical insurance; and natural disasters. The District carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. There were no significant reductions in insurance coverage in 2017 from coverage in the prior year. Settled claims have not exceeded this commercial coverage in the past 3 fiscal years.

NOTE H – LITIGATION AND CLAIMS

There were no judgments, claims, or other similar contingencies pending against the District at December 31, 2017.

**FIRE PROTECTION DISTRICT NO. 4 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE I – COMPENSATION PAID TO BOARD MEMBERS

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

Donald Chenevert	\$	-
Fred Gueho		-
Drake LaCombe		-
Charles Landry		-
Ronnie Barlow		-
	<u>\$</u>	<u>-</u>

NOTE J – RELATED PARTIES

The Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana is a component unit of the Pointe Coupee Parish Police Jury, and may enter into transactions with related parties, including parish council members and the parish administrator. From knowledge obtained during the audit, no related party transactions have occurred between parish council members or the parish administrator of Pointe Coupee Parish.

NOTE K – SUBSEQUENT EVENTS

These financial statements considered subsequent events through June 21, 2018, the date the financial statements were available to be issued. No events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**FIRE PROTECTION DISTRICT NO.4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Taxes -				
Ad valorem	\$ 740,000	\$ 740,000	\$ 735,342	\$ (4,658)
Sales taxes	140,000	140,000	164,294	24,294
Intergovernmental revenues -				
State fire insurance rebate	16,000	16,000	17,878	1,878
State revenue sharing	6,000	6,000	6,908	908
Miscellaneous revenues -				
Interest income	700	700	3,428	2,728
Other	15,000	15,000	24,074	9,074
TOTAL REVENUES	<u>917,700</u>	<u>917,700</u>	<u>951,924</u>	<u>34,224</u>
EXPENDITURES				
Current operations -				
Salaries	340,000	340,000	354,134	(14,134)
Payroll taxes	10,000	10,000	5,395	4,605
Deferred compensation	-	-	21,108	(21,108)
Professional fees	14,600	14,600	15,008	(408)
Tax collector fees	-	-	32,738	(32,738)
Dispatch	38,500	38,500	34,754	3,746
Computer services	12,300	12,300	12,473	(173)
Vehicle maintenance	38,000	38,000	78,944	(40,944)
Equipment maintenance	16,250	16,250	11,743	4,507
Building maintenance	20,000	20,000	33,752	(13,752)
Uniforms and protective gear	38,000	38,000	33,587	4,413
Supplies and small tools	17,700	17,700	17,391	309
Utilities	15,000	15,000	16,964	(1,964)
Telephone	5,000	5,000	4,139	861
Insurance	91,000	91,000	91,053	(53)
Training and fire prevention	77,000	77,000	44,452	32,548
Supplies, postage and printing	-	-	3,669	(3,669)
Dues and subscriptions	3,250	3,250	1,271	1,979
Fire prevention materials	3,500	3,500	1,368	2,132
Miscellaneous	1,750	1,750	1,648	102
Capital outlays -				
Firefighting equipment and tools	5,000	5,000	-	5,000
Fire hydrants	12,850	12,850	-	12,850
Radios and paging equipment	10,000	10,000	5,015	4,985
Medical equipment	6,000	6,000	-	6,000
Furniture, fixtures, and equipment	5,000	5,000	2,419	2,581
Wellness and fitness equipment	1,000	1,000	-	1,000
Rescue equipment	35,000	35,000	16,935	18,065
Debt service -				
Principal retirement	226,000	226,000	222,007	3,993
Interest expense	-	-	4,592	(4,592)
TOTAL EXPENDITURES	<u>1,042,700</u>	<u>1,042,700</u>	<u>1,068,559</u>	<u>(23,859)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(125,000)	(125,000)	(114,635)	10,365
OTHER FINANCING SOURCES (USES)				
Transfer from savings	125,000	125,000	-	(125,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>(125,000)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	-	-	(114,635)	(114,635)
FUND BALANCE, BEGINNING OF YEAR	<u>1,131,150</u>	<u>1,131,150</u>	<u>1,131,150</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,131,150</u>	<u>\$ 1,131,150</u>	<u>\$ 1,016,515</u>	<u>\$ (114,635)</u>

SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO.4
OF THE PARISH OF POINTE COUPEE
LIVONIA & FORDOCHE, LOUISIANA
TAXABLE PROPERTY VALUATIONS
SINCE INCEPTION
(UNAUDITED)

Year	Mills Levied	Assessed Value	Homestead Exemption	Tax to be Paid by Owner	Tax to be Paid by State	Total Tax
1982	3.00	\$ 22,435,266	\$ 3,845,101	\$ 55,772	\$ 11,537	\$ 67,309
1983	3.00	24,265,476	3,965,946	60,900	11,900	72,800
1984	3.00	23,989,111	4,072,574	59,251	12,220	71,971
1985	3.00	26,956,547	4,181,788	68,326	12,547	80,873
1986	3.34	24,942,091	4,374,197	68,696	14,609	83,305
1987	3.34	25,357,580	4,397,197	70,007	14,686	84,693
1988	3.60	24,155,783	4,203,073	71,830	15,131	86,961
1989	3.60	24,489,906	4,307,573	72,656	15,507	88,164
1990	3.60	23,671,216	4,393,027	69,402	15,815	85,216
1991	3.60	24,546,980	4,468,982	72,281	16,088	88,369
1992	10.72	24,416,469	4,618,835	212,230	49,514	261,744
1993	10.31	24,753,536	4,753,918	206,197	49,015	255,212
1994	10.31	24,879,333	4,876,381	206,231	50,278	256,509
1995	10.31	26,360,828	5,026,631	219,957	51,827	271,783
1996	10.10	27,597,811	5,647,378	221,701	57,041	278,743
1997	10.10	28,848,919	5,882,582	231,962	59,417	291,379
1998	10.91	27,430,758	6,162,933	232,033	67,239	299,273
1999	10.91	29,060,127	6,379,115	247,451	69,598	317,050
2000	10.91	29,529,102	7,089,964	244,813	77,354	322,166
2001	10.91	30,439,289	7,328,324	252,142	79,954	332,096
2002	10.91	23,034,553	7,537,944	51,309	82,241	333,550
2003	10.91	23,800,929	7,731,604	259,670	84,354	344,024
2004	10.91	27,177,135	8,400,680	296,504	91,653	388,157
2005	10.91	29,342,595	8,606,150	320,130	93,895	414,024
2006	10.91	29,810,018	8,795,410	325,229	95,960	421,189
2007	10.91	31,506,615	8,947,680	343,739	97,621	441,360
2008	9.11	38,094,363	9,440,371	347,040	86,002	433,042
2009	9.11	40,643,479	9,679,321	370,263	88,179	458,442
2010	10.91	49,364,938	9,872,301	538,572	107,705	646,277
2011	10.91	48,869,249	9,976,861	533,163	108,846	642,009
2012	10.91	56,561,984	10,055,056	617,092	109,699	726,791
2013	10.91	61,539,464	10,078,246	671,396	109,953	781,349
2014	10.91	62,342,434	10,174,916	680,157	111,008	791,165
2015	10.91	67,993,739	10,188,451	741,813	111,155	852,968
2016	10.91	74,463,845	10,783,415	812,401	117,646	930,047
2017	10.91	70,855,275	10,810,085	773,031	117,936	890,968

**FIRE PROTECTION DISTRICT NO. 4
 OF THE PARISH OF POINTE COUPEE
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
 TO AGENCY HEAD
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Agency Head: Paul A. Pinsonat

Purpose	Amount
Salary	\$ 25,000
Benefits - insurance	-
Benefits - retirement	2,036
Car allowance	-
Travel	-
Registration fees	1,158
Conference Travel	2,199
Total	\$ 30,393

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

BAXLEY AND ASSOCIATES, LLC

P. O. Box 482
58225 Belleview Drive
Plaquemine, Louisiana 70764
Phone (225) 687-6630 Fax (225) 687-0365

Hugh F. Baxley, CPA/CGMA/CVA
Margaret A. Pritchard, CPA/CGMA
Matthew L. Berthelot, CPA

Staci H. Joffrion, CPA/CGMA

SCHEDULE 3

Board of Commissioners
Fire Protection District No. 4 of the
Parish of Pointe Coupee
Livonia & Fordoche, Louisiana

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States, the financial statements of the governmental activities of Fire Protection District No.4 of the Parish of Pointe Coupee, Louisiana (the "District"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 21, 2018.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency (2017-001).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

District's Response to Findings

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

Purpose of this Report

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

Baxley & Associates, LLC

Plaquemine, Louisiana
June 21, 2018

**FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana.
2. One significant deficiency relating to the audit of the financial statements is reported in the Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana were found.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2017-001 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH GAAP

Condition:

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

Criteria:

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

Effect:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. AU-C 265 requires that we report the above condition as a control deficiency. This section does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying AU-C 265's reporting requirements. Prudent management requires that the potential benefit from an internal control must exceed its cost. It, therefore, may not be practical to correct all the deficiencies an auditor reports under AU-C 265. In this case we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

Management's Response:

Due to the small size of the organization, the District does not consider it economically feasible to hire an additional accountant to prepare year-end financial statements.

**FIRE PROTECTION DISTRICT NO. 4
OF THE PARISH OF POINTE COUPEE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

**2016-1 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE
WITH GAAP**

Condition:

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

Recommendation:

Prudent management requires that the potential benefit from an internal control must exceed its cost. It, therefore, may not be practical to correct all the deficiencies an auditor reports under AU-C 265. In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

Current Status:

This is a repeat finding in the current audit year.

2016-2 BUDGET

Condition:

In the District's General Fund, actual expenditures exceeded budgeted expenditures by 5.8%.

Recommendation:

Continuous efforts should be made by management to monitor revenue and expenditures in relation to the budget. Amendments should be made as they become necessary.

Current Status:

This finding was corrected in the current year.

**FIRE PROTECTION DISTRICT NO. 4 OF
THE PARISH OF POINTE COUPEE
LIVONIA & FORDOCHE, LOUISIANA
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

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To the Board of Commissioners
Fire Protection District No. 4
of the Parish of Pointe Coupee
Livonia & Fordoche, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Fire Protection District No. 4 of the Parish of Pointe Coupee (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, 2017 through December 31, 2017. The Fire Protection District No. 4 of the Parish of Pointe Coupee's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Procedures: Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts***, including receiving, recording, and preparing deposits
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings:

We reviewed the written policies and procedures for the related functions listed in the above procedures. Through our review, we were able to determine that the District has sufficient policies and procedures for the related functions listed above.

No exceptions were noted as a result of applying this procedure.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Findings:

The District met at least monthly with a quorum in accordance with their charter. No exceptions noted.

The minutes referenced a review and approval of the Secretary's report, which included the budget-to-actual comparison report of the District's General Fund. We examined the budget-to-actual comparison report that was included with the minutes. No exceptions noted.

There was a month noted where the budget-to-actual comparison report showed deficit spending. From reviewing the minutes, there was no formal plan noted to eliminate the deficit spending in the General Fund.

At the February 21, 2017 board meeting, the minutes referenced the board approval of the financing of a new fire truck through Republic First Financial Corporation. No exceptions noted.

Bank Reconciliations

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

Findings:

We reviewed the listing of the client's bank accounts with Guaranty Bank and Trust Company and Peoples Bank. We received management's representation that the listing is complete and accurate.

No exceptions were noted as a result of applying this procedure.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Findings:

The District has six bank accounts. We obtained the related bank statements and reconciliations for all months in the fiscal year. There was evidence that the bank reconciliations had been prepared, but there was no evidence that showed where a member of management or board member reviewed the bank reconciliations. There were transactions greater than six months old outstanding at the end of the fiscal period. Management provided documentation that showed these items have been researched and appropriate action will be taken on these items.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Findings:

As represented by management, the District does not have any cash/check/money order collection locations. Therefore, the following procedures would not be applicable for the District.

No exceptions were noted as a result of applying this procedure.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Findings:

As represented by management, the District does not have any cash/check/money order collection locations. Therefore, the following procedures would not be applicable for the District.

No exceptions were noted as a result of applying this procedure.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Findings:

As represented by management, the District does not have any cash/check/money order collection locations. Therefore, the following procedures would not be applicable for the District.

No exceptions were noted as a result of applying this procedure.

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Findings:

We reviewed a management listing of entity disbursements from the general ledger.

No exceptions were noted as a result of applying the procedure.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Findings:

After randomly selecting 25 disbursements from #8 above, we noted all disbursements were approved and supported by proper invoice. The disbursements were also supported by approved requisition orders. Proper approval of all transactions did not include the initiator of the purchase.

No exceptions were noted as a result of applying this procedure.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Findings:

We reviewed the entity documentation to determine whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

We noted no written policy that prohibits the individual responsible for processing payments from adding vendors. The person responsible for processing payments is also allowed to add vendors.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Findings:

We inquired of management regarding their practices of approving disbursements or signatory authority for the District. The person with signatory authority (the District Secretary) is able to initiate and record purchases. The District Secretary is able to make changes in the disbursement system.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Findings:

The supply of unused checks is kept in a locked location, with access restricted to the fire chief, assistant fire chief, and District Secretary. The District Secretary is the authorized signer of checks and has access to the checks.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Findings:

There is no signature stamp or signature machine that is used by the District.

No exceptions were noted as a result of applying this procedure.

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

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

Findings:

We obtained management's representation that the District maintains 2 credit cards, no debit cards and 22 fuel cards.

No exceptions were noted as a result of applying this procedure.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Findings:

We randomly selected 2 credit cards and the consolidated Fuel Trac fuel cards for one month. We selected the largest dollar activity for each card.

There was no evidence on the credit card statements that showed where the statement or supporting documentation was reviewed and approved by someone other than the authorized card holder.

There were no finance charges or late fees assessed on the selected amounts.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Findings:

We examined the monthly statements for the three credit cards selected in #15 above. For each transaction, we examined the original receipt, business purpose, and the Louisiana Public bid law. The District did not require any additional documentation as noted in the written policies and procedures. None of the transactions were subject to the rules of the Louisiana Public Bid Law. All transactions that were examined included the original receipt and business purpose. We observed no loans, pledges, or donations of funds, credit, property, or things of value.

No exceptions were noted as a result of applying this procedure.

Travel Reimbursement

- 17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Findings:

We obtained a listing of all travel and related expense reimbursements by person during the fiscal period. Management provided a list of 10 employees with total travel reimbursements. Representation was provided that the list was complete and accurate.

No exceptions were noted as a result of applying this procedure.

- 18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Findings:

Per the policies and procedures manual of the District, the dollar threshold for per diem and mileage rates will be the threshold set by the federal and state governments.

No exceptions were noted as a result of applying this procedure.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
 - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings:

We selected the top three persons who incurred the most travel costs as listed in #17 above. We compared expense documentation to written policies and examined documentation of business purpose. The reimbursements that were examined were for meals and lodging based upon per diem amounts, so there were no original receipts that were required. We examined the flyers for the seminars/conferences, as noted in the District's policies and procedures. We observed no loans, pledges, or donations of funds, credit, property or things of value. The expense documentation showed review and approval by the fire chief, who was not the person receiving the reimbursement.

No exceptions were noted as a result of applying this procedure.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Findings:

Management provided us with a list of contracts that were in effect during the fiscal year December 31, 2017. Management provided representation that the list was true and complete.

No exceptions were noted as a result of applying this procedure.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Findings:

We examined the listing of vendors and the listing only showed the two vendors. We selected both vendors. We examined formal/written contracts, Louisiana Public Bid Law supporting contract documentation, invoice support for the largest payment, and board approval of the contracts. There were no amendments to either contract.

No exceptions were noted as a result of applying this procedure.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Findings:

We obtained a listing of employees with their related salaries and randomly selected five employees to determine if compensation paid to them was in compliance with the terms of their pay rate structure. We also checked for any changes made to hourly pay rates/salaries during the fiscal period. There were no changes in pay for the five employees.

No exceptions were noted as a result of applying this procedure.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Findings:

The District does not have accumulated leave, as all District employees are considered part-time employees. The portions of the procedures related to leave would not be applicable for the District. As an alternative to selecting one pay period where leave was taken, we randomly selected a pay period during the fiscal year and selected employees from that pay period to test daily attendance records. All selected employees had time sheets that documented their attendance and agreed to the employee's check stub. All time sheets showed approval by a supervisor of their attendance.

No exceptions were noted as a result of applying this procedure.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Findings:

There were no terminated employees in 2017 as provided by management.

No exceptions were noted as a result of applying this procedure.

25. Obtain supporting documentation (cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Findings:

We obtained supporting documentation relating to payroll taxes for the fiscal period. We reviewed remittances, EFT documentation, and reporting forms. The taxes and reporting forms were remitted timely to the appropriate agencies.

No exceptions were noted as a result of applying this procedure.

Ethics

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Findings:

We obtained the ethics compliance documentation from management for the five employees selected in procedure #22. We determined that proper ethics training documentation was maintained.

No exceptions were noted as a result of applying this procedure.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Findings:

We inquired of management whether there were any alleged ethics violations reported to the entity during the fiscal period. No ethics violations were reported or noted during the year.

No exceptions were noted as a result of applying this procedure.

Debt Service

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Findings:

New debt was issued in 2017. We obtained and examined supporting documentation for the new debt and State Bond Commission approval was obtained.

No exceptions were noted as a result of applying this procedure.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Findings:

We obtained and examined the supporting documentation for the current outstanding debt. The District made timely debt service payments and was not required to maintain any debt reserves.

No exceptions noted as a result of applying this procedure.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Findings:

The District had no tax millages relating to debt service.

No exceptions were noted as a result of applying this procedure.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Findings:

Per inquiry of management, the District had no misappropriation of funds or assets.

No exceptions were noted as a result of applying this procedure.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings:

We observed the notice required by R.S. 24:523.1 posted on the information bulletin board located at the District's main fire station and also on the District's website.

No exceptions were noted as a result of applying this procedure.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Findings:

There were no other exceptions noted while performing the agreed-upon procedures and none noted in management's representations.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Baxley & Associates, LLC

Plaquemine, Louisiana
June 21, 2018

**Fire Protection District No. 4
of the Parish of Pointe Coupee**

**Management's Response to Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2017**

Management's Response to Items:

2. Management will monitor this more carefully in the future. If this occurs in the future, the Board will do a budget supplement to correct this issue.
4. A board member will start reviewing these reconciliations at each board meeting.
10. Due to the small size of the organization, it is difficult to have this segregation.
11. Due to the small size of the organization, it is difficult to have this segregation.
12. Due to the small size of the organization, it is difficult to have this segregation.
15. A board member will start reviewing these statements at each board meeting.