

COTEAU FIRE PROTECTION DISTRICT
Houma, LA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

COTEAU FIRE PROTECTION DISTRICT
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2019

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS	<u>Page</u> 1
 FINANCIAL SECTION	
Independent Auditor's Report	7
Basic Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Balance Sheet – Governmental Fund –General Fund	12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Fund – General Fund	13
Notes to the Financial Statements	14
 REQUIRED SUPPLEMENTAL INFORMATION	
Budget Comparison Schedule – General Fund	31
Schedule of Employer's Share of Net Pension Liability	32
Schedule of Employer Contributions	33
 OTHER INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency Head	34
 REPORTS REQUIRED ACCORDING TO GOVERNMENT AUDITING STANDARDS	
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>	35

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

This discussion and analysis of the financial performance provides a narrative overview of the financial activities as of and for the fiscal year ended December 31, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

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

- The net position increased as a result of this year's operations. The net position of our governmental activities increased slightly by \$31,559 approximately 2% from the prior year. At the end of the year assets exceeded liabilities by \$1,651,099 (net position).
- During the year, expenses for fire protection services decreased by about 8%. General revenues decreased by over \$100,000, resulting at end the year with revenue exceeding expenses by \$31,559. This compares to last year when net position increased by \$71,692.
- Fund balances of the governmental funds increased by \$732,594 to \$776,008, all considered unassigned and available for use in future years.

USING THIS ANNUAL REPORT

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

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government'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.

Both of the 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.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The District utilizes the governmental type of fund with the following accounting approach. All of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Net position increased slightly from \$1,619,540 to \$1,651,099 or 2%. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the decrease this year. The balance in net position represents the accumulated results of all past years' operations. Our analysis below focuses on the net position and changes in net position of the governmental-type activities.

Condensed Statement of Net Position	2018	2019	Increase (Decrease)
Current and Other Assets	\$1,512,746	\$ 1,591,433	\$ 78,687
Capital Assets	1,453,226	1,343,042	(110,184)
Total Assets	2,965,972	2,934,475	(31,497)
Deferred Outflows	94,148	107,501	13,353
Long-term Liabilities	634,571	548,709	(85,862)
Total Liabilities	634,571	548,709	(85,862)
Deferred Inflows	806,009	842,168	36,159
Net Invested in Capital Assets	1,453,226	1,343,042	(110,184)
Unrestricted	166,314	308,057	141,743
Total Net Position	\$1,619,540	\$ 1,651,099	\$ 31,559

Revenues – mainly general revenues of ad valorem taxes - for the governmental activities decrease by approximately 12%, while expenses also decreased slightly.

Condensed Statement of Activities	2018	2019	Increase (Decrease)
Total program expenses	\$ (831,599)	\$ (764,572)	\$ (67,027)
Total program revenues	11,477	11,357	(120)
Net program income	(820,122)	(753,215)	(67,147)
General revenues	891,814	784,774	(107,040)
Change in Net Assets	71,692	(32,158)	(40,133)
Net Position:			
Beginning of the year	1,547,848	1,619,540	71,692
End of the year	\$1,619,540	\$ 1,587,382	\$ 31,559

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

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

The general fund reported an ending fund balance of \$776,008. This reflects an increase of \$43,414 from the prior year.

Total revenues for the general fund were \$796,131 a decrease of 12% from the prior year. The decrease was due to a decrease in ad valorem tax revenues.

Current expenditures for fire protection activities were \$531,375, an increase of 2% from the prior year with increases in salaries and benefits; and building insurance. Capital outlay equaled \$151,639. Additions included improvements and additions to facilities – still in progress.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the year. Amendments were made to increase the amount budgeted for miscellaneous and interest earned based on the actual and to decrease the estimates for ad valorem taxes and state revenue. Adjustments were made to current expenditure estimates in salaries and benefits; supplies and materials; other services and charges; and repairs and maintenance categories. The Board adjusted (decreased) the capital outlay budget by \$32,500.

The variance in total expenditures at the end of the year was in compliance with the State Budget Law.

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

CAPITAL ASSETS

A summary of capital assets:

	Beginning Balance	Ending Balance
NON-DEPRECIABLE ASSETS		
Land	\$47,783	\$47,783
Construction in Progress	0	151,639
Total Cost of non-depreciable assets	\$47,783	\$199,422
DEPRECIABLE ASSETS:		
Buildings & Improvements	682,429	682,429
Vehicles	1,584,781	1,584,781
Machinery & Equipment	694,805	694,805
Office Furniture & Equipment	4,177	4,177
Total Cost of depreciable assets	2,966,192	2,966,192
Total Cost of assets	3,013,975	3,165,614
Less accumulated depreciation	1,560,749	1,822,572
Net depreciable assets	\$1,405,443	\$1,143,620
Net capital assets	\$1,453,226	\$1,343,042

This year there was additions of \$151,639 for construction in progress on improvements and an addition to Station #2. Depreciation of \$261,823 was recorded on capital assets in the governmental activities. More detailed information about the capital assets is presented in Note 4 to the financial statements.

LONG-TERM DEBT

At the end of the year there was a \$122,158 balance of long-term debt on the financing lease for the acquisition of a fire truck. Principal payments of \$58,440 and \$11,263 of interest was made during the year. More detailed information about the long term debt is presented in Note 6 to the financial statements.

FIREFIGHTERS RETIREMENT SYSTEM

The District contributes to the Firefighters' Retirement System of Louisiana (FRS), a cost-sharing multiple-employer defined benefit public retirement system.

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

As of December 31, 2019, the District reported liabilities in the GWFS of \$351,475 in its governmental activities for its proportionate share (.056129%) of the net pension liabilities of the System. The District reported deferred outflows of resources of \$107,501 and deferred inflows of resources of \$(26,743) related to pensions. More information on the plan is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's General Fund budget adopted by the Board of Commissioners include:

	<u>2020</u>
Anticipated revenues	\$ 1,555,425
Expenditures:	
Current	711,003
Capital outlay	1,155,000
Debt service	<u>135,479</u>
Anticipated expenditures	<u>2,001,482</u>
Revenues over expenditures (deficit)	(446,057)
Fund Balance:	
Beginning of the year	<u>615,868</u>
End of the year	<u><u>\$ 169,811</u></u>

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Robert Parr, Chairman
2325 Coteau Road
Houma, LA
Phone number 985-868-4355

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Coteau Fire Protection District
Houma, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Coteau Fire Protection (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2019, and the notes to the financial statements, which collectively comprise the 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 basic 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 Statements*, 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 basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting 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 evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund as of December 31, 2019 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information 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 opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for the purpose 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2020 on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 internal control over financial reporting and compliance.

Stagni & Company

Thibodaux, Louisiana
April 30, 2020



COTEAU FIRE PROTECTION DISTRICT

Statement of Net Position

December 31, 2019

ASSETS

Cash	\$ 24,925
Investment	732,447
Ad Valorem taxes receivable	374,133
Due from other governments	432,828
Prepaid Insurance	27,100
Capital Assets, net of accumulated depreciation	<u>1,343,042</u>
TOTAL ASSETS	<u>2,934,475</u>

DEFERRED OUTFLOWS OF RESOURCES

Related to net pension liability	107,501
----------------------------------	---------

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

Liabilities:

Long-term liabilities:

Due in one year	63,823
Due after one year	<u>484,886</u>
<i>Total liabilities</i>	<u>548,709</u>

Deferred Inflows of Resources-

Property taxes - subsequent year	815,425
Related to net pension liability	<u>26,743</u>
<i>Total deferred inflows</i>	<u>842,168</u>

Net Position:

Net Invested in capital assets	1,343,042
Unrestricted	<u>308,057</u>
TOTAL NET POSITION	<u><u>\$ 1,651,099</u></u>

See notes to financial statements.

COTEAU FIRE PROTECTION DISTRICT

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenue		Net Revenue (Expense)
		Charges for services	Capital & Operating Grants	
Public Safety-Current	\$ 491,486	\$ -	\$ 11,357	\$ (480,129)
Interest and Fiscal Charges	11,263	-	-	(11,263)
Depreciation	261,823	-	-	(261,823)
Total governmental activities	<u>\$ 764,572</u>	<u>\$ -</u>	<u>\$ 11,357</u>	<u>(753,215)</u>
GENERAL REVENUES				
Ad valorem taxes				740,740
State of Louisiana				6,909
Miscellaneous				14,342
Interest earned				<u>22,783</u>
Total General Revenues				784,774
Change in Net Position				31,559
NET POSITION:				
Beginning of year				1,619,540
End of year				<u><u>\$ 1,651,099</u></u>

See notes to the financial statements.

COTEAU FIRE PROTECTION DISTRICT
 Balance Sheet - Governmental Fund - General Fund
 December 31, 2019

ASSETS

Cash	\$ 24,925
Investments	732,447
Ad Valorem taxes receivable	374,133
Due from other governments	432,828
Prepaid Insurance	27,100
TOTAL ASSETS	<u>\$ 1,591,433</u>

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE

Liabilities -

Accounts payable	\$ -
Unearned revenue - ad valorem taxes	-
TOTAL LIABILITIES	<u>-</u>

Deferred Inflows of Resources -

Property taxes - subsequent period	815,425
------------------------------------	---------

Fund balances:

Unassigned	776,008
Total fund balance	<u>776,008</u>

RECONCILIATION TO THE STATEMENT OF NET POSITION:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.

Add - Capital Assets	3,165,614	
Deduct - Accumulated Depreciation	<u>(1,822,572)</u>	1,343,042

Deferred outflows of resources related to net pension liability are not available resources and, therefore, are not reported in the funds

107,501

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Deduct - Long term liabilities due in one year	(63,823)	
Deduct - Long term liabilities due after one year	(133,411)	
Deduct - Net pension liability	<u>(351,475)</u>	(548,709)

Deferred inflows of resources related to net pension liability are not payable from current expendable resources and, therefore, are not reported in the funds

(26,743)

Net assets of governmental activities

\$ 1,651,099

See notes to financial statements.

COTEAU FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund - General Fund
For the Year Ended December 31, 2019

REVENUES

Ad Valorem Taxes	\$ 740,740
Intergovernmental - State:	
Revenue Sharing	6,909
Fire Insurance Rebate	11,357
Miscellaneous	14,342
Interest	22,783
TOTAL REVENUES	<u>796,131</u>

EXPENDITURES

Public Safety - current:

Ad Valorem Tax Deduction	25,939
Salaries & benefits	304,838
Supplies & materials	37,199
Other services & charges	111,475
Repairs & maintenance	51,924
<i>Total current</i>	<u>531,375</u>

Capital Outlay

151,639

Debt Service:

Principal	58,440
Interest	11,263
<i>Total debt service</i>	<u>69,703</u>

TOTAL EXPENDITURES 752,717

NET CHANGE IN FUND BALANCES 43,414

FUND BALANCES

Beginning of year	732,594
End of year	<u>\$776,008</u>

RECONCILIATION TO THE STATEMENT OF ACTIVITIES:

Net change in fund balances per above \$ 43,414

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - Capital outlay	151,639	
Deduct - Depreciation expense	<u>(261,823)</u>	(110,184)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Add - Principal payments on long-term debt	58,440
Adjustment to note payment schedule	63,717

Changes related to the Pension Plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities

(Increase) Decrease in Net Pension Liability	(36,296)	
Change in Deferred Outflows	13,354	
Change in Deferred Inflows	<u>(886)</u>	(23,828)

Change in net position - governmental activities \$ 31,559

See notes to financial statements.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

The Coteau Fire Protection District (the District) is governed by a Board of Commissioners appointed by the Terrebonne Parish Consolidated Government organized under La. Revised Statute 40:1492. The District provides for the acquisition, construction, maintenance, and operations of fire protection and emergency medical service facilities, for the purchase of fire trucks and other firefighting or emergency medical service equipment and paying the cost of obtaining water for fire protection purposes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

As the governing authority, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. Because the Terrebonne Parish Consolidated Government could by definition in statute be financially burdened by the Coteau Fire Protection District, the District was determined to be a component unit of the Terrebonne Parish Consolidated Government. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or any other governmental reporting entity.

The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Terrebonne Parish Consolidated Government for the year ending December 31, 2019.

B. Basis of Presentation

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation (continued)

Governmental-wide Financial Statements (GWFS):

GWFS include the Statement of Net Position and the Statement of Activities for all activities of the District. The GWFS presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements (FFS)

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The governmental fund of the District is the General Fund. The General Fund is used to account for all financial resources and expenditures except those required to be accounted for in other funds. The General Fund is *always* a major fund.

C. Measurement Focus / Basis of Accounting

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Measurement Focus / Basis of Accounting (continued)

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2018 property taxes which were levied to finance the 2019 budget are recognized as revenue in 2019. The 2019 tax levy is recorded as deferred revenue in the current financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Measurement Focus / Basis of Accounting (continued)

Expenditures – The major expenditures current public safety supplies, insurance and audit and accounting fees are recorded when payable or when the fees are incurred.

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Operating Budgets

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund. As allowed by state law, the Board does not obtain public participation in the budget process. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The District did amend its budget for the year ended December 31, 2019. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

F. Cash & Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

F. Cash & Investments (continued)

Investment is also allowed in the Louisiana Asset management Pool (LAMP). The Louisiana Asset Management Pool (LAMP) is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost. Investments policies are governed by state statutes and all deposits are considered short term.

G. Receivables

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

H. Prepaid Insurance

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. Deferred Outflows and Inflows of Resources

The District reports decreases (increases) in net position that relate to future periods as deferred outflows (inflows) of resources in separate sections of its Statement of Net Position. The District reports deferred outflows of resources and deferred inflows of resources related to its net pension liability. These amounts are being amortized over a period of five years.

J. Capital Assets

In the government-wide financial statements, additions, improvements and other capital outlays that significantly extend the useful life of an asset are recorded and depreciated (capitalized). Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Other costs incurred for repairs and maintenance are expensed as incurred.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

CATEGORY	LIFE
BUILDINGS & IMPROVEMENTS	35 YEARS
VEHICLES	5-40 YEARS
OFFICE FURNITURE, FIXTURE & EQUIPMENT	5-15 YEARS
MACHINERY & EQUIPMENT	5-20 YEARS

In the fund financial statements, capital assets purchased in operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

K. Long-Term Debt

In the GWFS all long-term debt to be repaid from governmental resources are reported as liabilities. In the FFS long-term debt is not reported as liabilities. Debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures.

L. Fund Equity

For government-wide financial statements net assets are classified and displayed in three components:

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

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

L. Fund Equity (continued)

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned.

- Non-spendable fund balance cannot be spent because of its form.
- Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions.
- Committed fund balance is a limitation imposed by the entity's board through approval of resolutions.
- Assigned fund balances is a limitation imposed by a designee of the entity's board.
- Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

M. Compensated Absences

Administrative Leave

The Fire Chief may grant administrative leave with or without pay for periods not to exceed thirty days. Examples of such leave may include attendance at educational seminars or conferences, to take civil service examinations, during investigation of an employee's action, etc.

Vacation – Eligibility

Employees are eligible for vacation leave after they have completed one (1) year of full time service. Employees who obtain one (1) year of service after the issuance of leave for a given year will be given prorated leave based on the number of whole months left in the calendar year. Vacation days earned is determined by the length of service on January 1 of each calendar year as set forth by the District's policy. Vacation Days may be calculated in hours, (1day = 9 hours) and taken in that manner. All Vacation Leave must be taken each year, no carryover of vacation days will be allowed.

Sick Leave

Sick leave shall be available to each employee due to illness or injury not brought about by his/her own negligence or culpable indiscretion. Sick leave shall be governed by Louisiana Revised Statutes 33:1995.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

A summary of deposits are listed as follows:

	Bank Balance	Reported Amount
Checking Accounts	\$22,886	\$24,925

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits.

Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. The District has a written policy for custodial credit risk. As of year-end none of the bank balance of deposits was exposed to custodial credit risk.

The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments

At year-end the balance of \$732,447 is invested in the Louisiana Asset management Pool (LAMP). LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 2 DEPOSITS & INVESTMENTS (continued)

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

Accordingly, LAMP investments are restricted to securities issued, guaranteed, or back by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value.

For purposes of determining participants' shares, investments are valued at amortized cost, which approximates fair value. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP is rated AAAm by Standard & Poor's. LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required for custodial credit risk. Pooled investments are excluded from the 5 percent disclosure requirement regarding the concentration of credit risk. 2a-7 like investments pools are excluded from the interest rate disclosure requirement, nor is foreign currency risk disclosure applicable.

The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost, which approximates fair value. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP has a Standard & Poor's Rating of AAAm.

NOTE 3 AD VALOREM TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2020. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 3 AD VALOREM TAXES (continued)

Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2018 – which is recognized as revenue in 2019 - was 18 mills of assessed valuation on property within Coteau Fire Protection District for the purpose of constructing, maintaining and operating recreation facilities within the District.

NOTE 4 CAPITAL ASSETS

Information about capital assets and depreciation for the year are summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
NON-DEPRECIABLE ASSETS				
Land	\$ 47,783	\$ -	\$ -	\$ 47,783
Construction in Progress	-	151,639	-	151,639
Total Non-Depreciable Assets	47,783	151,639	-	199,422
DEPRECIABLE ASSETS:				
Buildings & Improvements	682,429	-	-	682,429
Vehicles	1,584,781	-	-	1,584,781
Machinery & Equipment	694,805	-	-	694,805
Office Furniture & Equipment	4,177	-	-	4,177
Total Cost of depreciable assets	2,966,192	-	-	2,966,192
Total Cost of assets	3,013,975	151,639	-	3,165,614
ACCUMULATED DEPRECIATION				
Buildings & Improvements	202,134	23,877	-	226,011
Vehicles	1,014,857	166,315	-	1,181,172
Machinery & Equipment	341,751	71,328	-	413,079
Office Furniture & Equipment	2,007	303	-	2,310
Total accumulated depreciation	1,560,749	261,823	-	1,822,572
Net depreciable assets	1,405,443			\$1,143,620
Net capital assets	\$1,453,226			\$1,343,042

Depreciation Expense of \$261,823 was recorded in the governmental activities.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 5 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following:

Governmental Agency:	For:	Amount
Terrebonne Parish Tax Collector	December tax collections	\$432,828

NOTE 6 LONG-TERM DEBT

A summary of changes in the long-term debt for the year is as follows:

CATEGORY	BALANCE BEGINNING	Adjustment	PAYMENTS	BALANCE ENDING
Rescue Unit (Squad 22)	\$319,391	\$(63,717)	\$(58,440)	\$197,234

The District entered into a financing lease agreement for the acquisition of a fire truck on November 24, 2015. The first lease payment was made on March 1, 2015 and the title to the truck has transferred and was capitalized as of January 1, 2017. The lease bears an interest rate of 2.98% and is repayable on December 30th through 2022. The lease qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The asset was recorded at a cost of \$434,579 as a capital asset. Principal payments of \$58,440 and interest of \$11,263 were made during the year. An adjustment to the payment schedule for \$63,717 was also made.

Future minimum lease payments:

12/31/2020	\$	63,823	\$	5,880	\$	69,703
12/31/2021	\$	65,726	\$	3,977	\$	69,703
12/31/2022	\$	67,685	\$	2,018	\$	69,703
	\$	260,951	\$	19,601	\$	280,553

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM

The District adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. That Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

PLAN DESCRIPTION – The District contributes to the Firefighters' Retirement System of Louisiana (FRS), a cost-sharing multiple-employer defined benefit public retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, disability benefits, and death benefits for its members.

Act 434 of the 1979 Louisiana Legislative Session established the plan. The System is governed by Louisiana R.S. 11:2251 – 11:2269, specifically, and other general laws of the State. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Firefighters' Retirement System of Louisiana, 2051 Silverside Dr., Suite 210, Baton Rouge, LA 70808-4136 or at their website <http://www.lafirefightersret.com>.

ELIGIBILITY REQUIREMENTS – Membership in the System is a condition of employment for any full time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters Retirement System. Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

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

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement. See R.S. 11:2256(A) for additional details on retirement benefits.

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

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

DEFERRED RETIREMENT OPTION PLAN (DROP) – After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in the DROP employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the DROP plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the DROP plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the DROP account until the participant retires.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

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

EMPLOYER CONTRIBUTIONS – Employer contributions are actuarially determined each year. For the period July 1, 2017 to June 30, 2018, employer and employee contributions for members above the poverty line were 26.50% and 10.0% respectively. For the period July 1, 2018 to June 30, 2019, employer and employee contributions for members above the poverty line were 27.75% and 10.0% respectively.

NON-EMPLOYER CONTRIBUTIONS – The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended June 30, 2019 and were excluded from pension expense. Non-employer contributions received by the System during the year ended June 30, 2019 for the System were \$26,807,631 and for the District were \$15,047.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES - As of December 31, 2019, the District reported liabilities in the GWFS of \$351,475 in its governmental activities for its proportionate share of the net pension liabilities of the System. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension obligation was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2019, the District's proportional share of the System was .056129% which was an increase of .00134% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019 the District recognized a pension expense of \$79,162 in its governmental activities related to its participation in the System. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

	Deferred outflows	Deferred inflows
Differences between expected and actual experience	\$ -	\$(25,353)
Investment Earnings	23,636	-
Changes in assumption	31,976	(26)
Changes in proportion	29,371	(1,364)
Difference in contribution	22,518	-
	<u>\$107,501</u>	<u>\$(26,743)</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2019	\$23,719
2020	4,617
2021	12,163
2022	17,741
	\$58,240

ACTUARIAL ASSUMPTIONS - The total pension liabilities and actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

Valuation Date	June 30, 2019
Actuarial cost method	Entry Age Normal
Actuarial cost assumptions:	
Expected remaining service lives	7 years, closed period
Investment rate of return	7.15% per annum
Inflation rate	2.50% per annum
Salary increases	Vary from 14.75% in the first two years of service to 4.50% after 25 years
Cost of Living Adjustments	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned creditability weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The resulting long-term expected arithmetic nominal rate of return was 8.09% as of June 30, 2018. Best estimates of arithmetic real rates of return for each major class includes in the System's target asset allocation as of June 30, 2018, are summarized in the following table:

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equities-US Equity	21.50%	5.98%
Equities-Non-US Equity	17.50%	7.52%
Equities-Global Equity	10.00%	6.59%
Fixed Income	31.00%	2.17%
Alternatives-Real Estate	6.00%	4.14%
Alternatives-Private Equity	4.00%	10.52%
Global Tactical Asset Allocation	5.00%	4.37%
Risk Parity	5.00%	4.67%
Totals	100.00%	
Discount Rate		7.15%

SENSITIVITY OF THE CHANGES IN DISCOUNT RATE - The following presents the net pension liabilities of the participating employers calculated using the discount rate as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of June 30, 2019.

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability	\$508,959	\$ 351,475	\$ 219,294

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to workmen's compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

NOTE 9 COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year.

***REQUIRED SUPPLEMENTAL
INFORMATION***

COTEAU FIRE PROTECTION DISTRICT

Budget Comparison Schedule - General Fund

For the Year Ended December 31, 2019

	Budgets		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Ad Valorem Taxes	\$833,787	\$741,000	\$740,740	\$ (260)
State Intergovernmental Revenue	18,500	6,909	18,266	11,357
Miscellaneous	6,000	22,963	14,342	(8,621)
Interest	9,000	19,008	22,783	3,775
TOTAL REVENUES	867,287	789,880	796,131	6,251
EXPENDITURES				
Public safety - current:				
Ad Valorem Tax Deduction	32,100	25,938	25,939	(1)
Salaries & benefits	348,950	321,000	304,838	16,162
Supplies & materials	62,000	37,000	37,199	(199)
Other services & charges	134,300	148,237	111,475	36,762
Repairs & maintenance	81,500	64,250	51,924	12,326
Total public safety - current	658,850	596,425	531,375	65,050
Capital outlay	137,500	105,000	151,639	(46,639)
Debt Service:				
Principal	58,440	169,487	58,440	111,047
Interest	11,263	35,695	11,263	24,432
Total debt service	69,703	205,182	69,703	135,479
TOTAL EXPENDITURES	866,053	906,607	752,717	153,890
NET CHANGE IN FUND BALANCES	1,234	(116,727)	43,414	160,141
FUND BALANCES				
Beginning of year	672,141	732,595	732,594	(1)
End of year	<u>\$ 673,375</u>	<u>\$ 615,868</u>	<u>\$ 776,008</u>	<u>\$ 160,140</u>

COTEAU FIRE PROTECTION DISTRICT
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2019

Year Ended June 30**	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.056129%	\$ 351,475	\$ 123,658	284.23%	73.96%
2018	0.054794%	\$ 315,179	\$ 109,654	287.43%	74.76%
2017	0.052783%	\$ 302,544	\$ 127,812	236.71%	73.50%
2016	0.050970%	\$ 333,410	\$ 124,572	267.64%	68.20%
2015	0.051609%	\$ 278,540	\$ 113,384	245.66%	72.40%

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

** Amounts presented were determined as of the measurement date (previous fiscal year-end).

Notes to Retirement System Schedules:

Changes of Benefit Terms

6/30/2016 NO CHANGE
6/30/2017 NO CHANGE
6/30/2018 NO CHANGE
6/30/2019 NO CHANGE

Changes of Assumptions

	Actuarial cost method	Inflation rate	Discount rate- Investment ROR	Salary increases Vary from 15.0% in first two years to 4.75% with 25 or more years	Expecting remaining service lives
6/30/2015	Entry Age Normal	2.88%	7.50%	more years	7 years
6/30/2016	Entry Age Normal	2.88%	7.50%	no change	7 years
6/30/2017	Entry Age Normal	2.78%	7.40%	no change	7 years
6/30/2018	Entry Age Normal	2.70%	7.30%	no change	7 years
				Vary from 14.75% in first two years to 4.50% with 25 or more years	
6/30/2019	Entry Age Normal	2.50%	7.15%	more years	7 years

COTEAU FIRE PROTECTION DISTRICT

Schedule of Employer Contributions For the Year Ended December 31, 2019

Year Ended June 30**	(a) Statutorily Required Contribution (SRC)	(b) Contributions in Relation to the SRC	(a-b) Contribution Deficiency (Excess)	Agency's covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2019	\$ 35,949	\$ 35,949	\$ -	\$ 123,658	29.1%
2018	\$ 34,654	\$ 31,994	\$ (2,660)	\$ 109,654	29.2%
2017	\$ 33,087	\$ 33,087	\$ -	\$ 127,812	25.9%
2016	\$ 25,672	\$ 25,672	\$ -	\$ 137,975	18.6%
2015	\$ 10,786	\$ 10,786	\$ -	\$ 124,572	8.7%

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

** Amounts presented were determined as of the measurement date (previous fiscal year-end).

Notes to Retirement System Schedules:

Changes of Benefit Terms

6/30/2016	NO CHANGE
6/30/2017	NO CHANGE
6/30/2018	NO CHANGE
6/30/2019	NO CHANGE

Changes of Assumptions

	Actuarial cost method	Inflation rate	Discount rate- Investment ROR	Salary increases vary from 15.0% in first two years to 4.75% with 25 or more years	Expecting remaining service lives
6/30/2015	Normal	2.88%	7.50%	no change	7 years
6/30/2016	no change	2.88%	7.50%	no change	7 years
6/30/2017	no change	2.78%	7.40%	no change	7 years
6/30/2018	no change	2.70%	7.30%	no change	7 years
				14.75% in first two years to 4.50% with 25 or more years	
6/30/2019	Entry Age Norma	2.50%	7.15%	or more years	7 years

OTHER INFORMATION

COTEAU FIRE PROTECTION DISTRICT

Schedule of Compensation, Benefits and Other Payments to Agency Head For the Year Ended December 31, 2019

Agency Head Name: RUSSELL DISALVO, DISTRICT FIRE CHIEF

Purpose	Amount
Salary	\$70,094
Supplemental Pay	\$6,000
Benefits-insurance	\$12,200
Benefits-retirement	\$20,382
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (describe)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$0
Dues	\$0
Vehicle rental	\$0
Per diem for meals for conference	\$0
Reimbursements	\$294
Travel	\$0
Registration fees	\$0
Conference travel	\$467
Housing	\$0
Unvouchered expenses (example: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$0

***This form is used to satisfy the reporting requirement of R.S. 24:513(A)(3) on
Supplemental Reporting***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

To the Commissioners of
Coteau Fire Protection District
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Coteau Fire Protection District, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated April 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

April 30, 2020
Thibodaux, Louisiana



COTEAU FIRE PROTECTION DISTRICT

**Statewide Agreed Upon
Procedures Report
With Schedule of Findings
and Management's Responses**

***As of and for the Year Ending
December 31, 2019***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

AGREED-UPON PROCEDURES REPORT

Coteau Fire Protection District

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2019 – December 31, 2019

Coteau Fire Protection District and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Coteau Fire Protection 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, 2019 through December 31, 2019. The District'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 results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff

procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: *The policies of the District address all of the applicable functions listed above.*

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.



STAGNI & COMPANY, LLC

Results: *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.



6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:



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

Results: *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

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

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

11. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.])
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
12. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

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

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



- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

Contracts

14. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

Payroll and Personnel

15. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
16. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:



STAGNI & COMPANY, LLC

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

Results: *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

Ethics

19. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

Debt Service

20. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.



21. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Results: *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

Other

22. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

23. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

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

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

Stagni & Company

Thibodaux, LA
April 30, 2020



STAGNI & COMPANY, LLC
