WARD ONE RURAL FIRE DISTRICT

Component Unit Financial Statements
For the Year Ended December 31, 2017

David M. Hartt, (A Professional Accounting Corporation)
Certified Public Accountant
West Monroe, Louisiana

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY

FOR THE YEAR ENDED DECEMBER 31, 2017

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DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Ward One Rural Fire District
Delhi, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of Ward One Rural Fire District, a component unit of the Richland Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements of the Fire District as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

P.O. BOX 1332 WEST MONROE, LA 71294 – (318)512-6367 David@dmhartt.com
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND SOCIETY OF LOUISIANA CPAs

To the Board of Commissioners
Ward One Rural Fire District
Delhi, Louisiana

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Ward One Rural Fire District, as of December 31, 2017, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 10, 2018, on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

David M. Hartt, CPA (APAC)

West Monroe, Louisiana
May 10, 2018

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

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Our discussion and analysis of the Ward One Rural Fire District (the District) financial statements provides an overview of its activities for the year ended December 31, 2017. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) measure the District's financial position. Increases or decreases in the District's net position are an indicator of whether its financial position is improving or not.

The District as a Whole

For the years ended December 31, 2017 and 2016, net position changed as follows:

	2017	2016
Beginning net position	$ 2,350,176	$ 2,272,141
Increase in net position	153,680	78,035
Ending net position	$ 2,503,856	$2,350,176

The District's Funds

The following schedule presents a summary of revenues and expenses for the years ended December 31, 2017 and 2016:

Revenues	2017	Percent of Total	2016	Percent of Total
Parcel Fees	$667,394	96.82%	$533,515	96.82%
Grants & Miscellaneous	3,745	1.08%	5,982	1.08%
State Fire Insurance Rebate	10,452	2.10%	11,544	2.10%
Total Revenues	$681,591	100.00%	$551,041	100.00%

Expenditures	2017	Percent of Total	2016	Percent of Total
Public Safety – Fire Protection	$527,911	100.00%	$473,006	100.00%

BUDGETARY HIGHLIGHTS

The District's total revenues in 2017 were within 5% of the final budgeted revenue. Actual expenditures in 2017 were also within 5% of the budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION
Capital Assets

At December 31, 2017, the District had $2,520,864 invested in capital assets ($1,054,756, net of accumulated depreciation) including machinery and equipment and vehicles.

Assets	December 31, 2016	Additions	Disposals	December 31, 2017
Land	$ 7,200			$ 7,200
Autos & Equipment	2,158,504	25,696	-	2,184,200
Buildings	329,464	-	-	329,464
Total at historical cost	2,495,168	25,696	-	2,520,864
Less: Accumulated Depreciation:				
Autos & Equipment	(1,038,790)	(334,648)	-	(1,373,438)
Buildings	(84,359)	(8,311)	-	(92,670)
Capital assets, net	$ 1,372,019	$(317,263)	-	$ 1,054,756

Debt

At year end, the District had no debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Gina Jones, Secretary-Treasurer
Post Office Box 475
Delhi, LA 71232

COMPONENT UNIT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 473,154
Certificates of Deposit	350,514
Accounts Receivable - Property Taxes	648,651
Meter Deposits	200
Capital Assets:	
Non-Depreciable	7,200
Depreciable	1,047,556
Total Assets	2,527,275
Liabilities	
RP Pension Payable	23,419
Total Liabilities	23,419
Net Position	
Net Investment in Capital Assets	1,054,756
Net Position - Unrestricted	1,449,100
Total Net Position	$ 2,503,856

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

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities					
Public Safety	$ 527,911	$ 667,394	$ -	$ -	$ 139,483

General Revenues:	
Insurance Rebate	10,452
Other	1,500
Interest	2,245
Total General Revenues	14,197
Changes in Net Position	153,680
Net Position - Beginning	2,350,176
NET POSITION - ENDING	$ 2,503,856

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

COMPONENT UNIT FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY
BALANCE SHEET, GOVERNMENTAL FUNDS
DECEMBER 31, 2017

ASSETS

Current Assets	
Cash and Cash Equivalents	$ 473,154
Certificates of Deposit	350,514
Accounts Receivable	648,651
Prepaid Assets	-
Meter Deposits	200
TOTAL ASSETS	$ 1,472,519

LIABILITIES AND FUND BALANCE

Liabilities	
RP Pension Payable	$ 23,419
Fund Balance	
Unassigned	1,449,100
TOTAL LIABILITIES AND FUND BALANCE	$ 1,472,519

Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position

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

Fund Balance, Governmental Funds:		$ 1,449,100
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental Assets	2,520,864	
Less Accumulated Depreciation	(1,466,108)	
		1,054,756
Net Position of Governmental Activities		$ 2,503,856

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

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

Operating Revenue	
Ad Valorem Tax Revenue	$ 664,334
Grants	-
Fire Assessments - Poverty Point	3,060
State Fire Insurance Rebate	10,452
Total Operating Revenue	677,846
Operating Expenses	
Volunteer Incentives	27,713
Repairs and Maintenance	34,725
Materials and Supplies	1,998
Public Awareness and Education	984
Fuel	4,032
Insurance	23,818
Legal and Accounting	16,335
Uniforms & Safety Equipment	32,470
Utilities	9,236
Pension Expense	23,420
Other	10,221
Capital Outlay	25,696
Total Operating Expenses	210,648
Operating Income	467,198
Non-Operating Revenues (Expenses)	
Interest Income	2,245
Other Income	1,500
Total Non-Operating Revenues (Expenses)	3,745
Change in Fund Balance	470,943
Fund Balance - Beginning of the Year	978,157
FUND BALANCE - END OF THE YEAR	$ 1,449,100

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

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

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

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

Net change in fund balances - total governmental funds		$ 470,943
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	25,696	
Less current year depreciation	(342,959)	
		(317,263)
Changes in net position of governmental activities		$ 153,680

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

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

INTRODUCTION

Ward One Rural Fire District (the District) was created by resolution of the Richland Parish Police Jury on February 18, 1992, for the purpose of purchasing and maintaining fire equipment and providing fire protection for the people included in the district according to the boundaries set by Richland Parish Police Jury. The District is governed by a board of commissioners consisting of five members. The Commissioners are appointed by the Richland Parish Police Jury and receive compensation of $30 each for each meeting up to two meetings per month. The District has no employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the District is considered a component unit of the Richland Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

Note 1 - Summary of Significant Accounting Policies

A. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

C. CASH AND CASH EQUIVALENTS

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

Investments for the District are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. RECEIVABLES AND PAYABLES

Property taxes are levied on a calendar year basis and become delinquent on January 1 of each year. The following is a summary of authorized and levied Parcel Fees:

	Authorized	Levied	Expiration Date
Property Taxes	6.55 Mils	6.55 Mils	2023

Delinquent property taxes are considered fully collectible and therefore no allowance for uncollectible fees is provided.

E. CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of $5,000 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Note 1 - Summary of Significant Accounting Policies - Continued

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

Description	Estimated Useful Lives
Buildings	40 Years
Autos and Equipment	5-15 Years

F. COMPENSATED ABSENCES

The District is operated by volunteers and therefore has no policy for compensated absences.

G. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. At December 31, 2018, the District had no long-term obligations.

H. FUND EQUITY

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

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

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

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Commissioners – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Note 1 - Summary of Significant Accounting Policies - Continued

H. FUND EQUITY (Continued)

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

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

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

I. ESTIMATES

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

Note 2 - Stewardship, Compliance, and Accountability

Budget Information: Preliminary budgets for the ensuing year are prepared by the secretary-treasurer during November of each year. During November, the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the December meeting. All annual appropriations lapse at year end. Encumbrance accounting is not used by the District. Budgeted amounts included in the accompanying financial statements include the original adopted budget and one amendment for the year ended December 31, 2016.

Note 3 - Cash and Cash Equivalents

Custodial Credit Risk – deposits. The custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy to ensure there is no exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2017.

Note 3 - Cash and Cash Equivalents (continued)

The District has cash and cash equivalents (book balances) totaling $473,154 at December 31, 2017 as follows:

Demand Deposits	$ 33,214
Savings & Money Market Accounts	279,953
Certificate of Deposit	159,987
TOTAL	$ 473,154

The District also has three Certificates of Deposit not considered cash and cash equivalents. Their value at December 31, 2017 totaled $350,514.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2016, are secured as follows:

Bank Balances	$ 824,394
FDIC Insurance	500,000
Pledged Collateral	600,000
Uninsured Amount	$ -

The accounts are managed by the District's fiscal agent and consist of securities issued or guaranteed by the U.S. government. Investments are in accordance with LRS 33:2955(A)(1)(e) and are not required to be covered by the pledge of securities owned by the fiscal agent bank.

Note 4 - Accounts Receivable

At December 31, 2017, the District's accounts receivable consisted of the following:

Property Tax Receivable	$ 648,651
Total Accounts Receivable	$ 648,651

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 5 - Property, Plant and Equipment

Capital asset activity for the year ended December 31, 2017 and 2016 is as follows:

	December 31, 2016 Balance	Additions	Deletions	December 31, 2017 Balance
Non-Depreciable Assets:				
Land	$ 7,200	$ -	$ -	$ 7,200
Depreciable Assets:				
Autos & Equipment	2,158,504	25,696	-	2,184,200
Buildings	329,464	-	-	329,464
Totals at Historical Cost	2,495,168	25,696	-	2,520,864
Less Accumulated Depreciation for:				
Autos & Equipment	(1,038,790)	(334,648)	-	(1,373,438)
Buildings	(84,359)	(8,311)	-	(92,670)
Total Accumulated Depreciation	(1,123,149)	(342,959)	-	(1,466,108)
CAPITAL ASSETS, NET	$1,372,019	$(317,263)	$ -	$1,054,756

Depreciation expense was $342,959 in 2017.

Note 6 - Subsequent Events

Subsequent events have been evaluated through May 10, 2018, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

Schedule I

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

Required Supplemental Information

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	Budgetary Basis	Over (Under)
Revenues				
Taxes:				
Ad valorem tax	533,980	686,900	664,334	(22,566)
Intergovernmental revenues:				
Fire Insurance rebates	9,918	10,452	10,452	-
Grant Income	-	-	-	-
Fire Assessments - Poverty Point	2,940	3,060	3,060	-
Interest and Dividend Earnings	2,140	2,200	2,245	45
Other revenues	-	1,500	1,500	-
Total Revenues	548,978	704,112	681,591	(22,521)
Expenditures				
Volunteer Incentive Payments	35,000	27,713	27,713	-
Repairs and Maintenance	22,750	33,611	34,725	(1,114)
Supplies Used in Operations	6,000	2,200	1,998	202
Fire Prevention Awareness Day	1,500	984	984	-
Board Meeting Compensation	1,080	660	630	30
Fuel, Oil, Grease	6,500	4,530	4,389	141
Insurance	23,720	23,818	23,818	-
Utilities	10,000	9,600	9,236	364
Telephone	1,200	1,100	1,096	4
Uniforms and Safety Equipment	35,624	32,500	32,470	30
Dues, Fees & Publications	200	24	24	-
Office Supplies & Postage	1,500	900	836	64
Pension	19,705	19,861	23,420	(3,559)
Legal and Accounting	8,400	9,585	9,585	-
Audit and Review	6,500	6,750	6,750	-
Capital Outlay	16,735	16,828	25,696	(8,868)
Training	6,000	2,784	2,709	75
Miscellaneous Tools	4,000	4,569	4,569	-
Total Expenditures	206,414	198,017	210,648	(12,631)
Net Change in Fund Balance	342,564	506,095	470,943	(35,152)
Fund Balance at Beginning of Year	978,157	978,157	978,157	-
Fund Balance at End of Year	$ 1,320,721	$ 1,484,252	$ 1,449,100	$ (35,152)

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

WARD ONE RURAL FIRE DISTRICT
NOTES TO BUDGET COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

Preliminary budgets for the ensuing year are prepared by the secretary-treasurer during November of each year. During November, the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the December meeting. All annual appropriations lapse at year end. Encumbrance accounting is not used by the District. Budgeted amounts included in the accompanying financial statements include the original adopted budget and one amendment for the year ended December 31, 2017.

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

OTHER SUPPLEMENTAL SCHEDULES

Schedule II

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD,
POLICICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2017

Officers	Office	Director Fees(****)	Accounting Fees(***)	Salary (*) Monthly Comp	Volunteer Per Diems(**)	Reimbursements (Office/Postage)	1099 Issued ?
Stacy Hutchinson	Fire Chief	-	-	2,438	2,055	-	Y
Michael Green	Asst Fire Chief	-	-	1,838	1,055	-	Y
Charles Clack	President	120	-	-	-	-	N
Richard Lemoine	V President	90	-	-	-	-	N
Allen Henderson	Director	120	-	-	-	-	N
Joe Keene	Director	60	-	-	-	-	N
Ken Hall	Director	120	-	-	-	-	N
Gina Jones	Sec/Treasurer	120	9,400	-	-	294	Y

(*)Officer per diems include a monthly compensation for daily operations management.
The fire chief receives $200 per month, assistant chief receives $150.00

(**) Firefighter per diems are set annually and paid on a per emergency event and per training/meeting activity
2017 per diems were $20.00 per emergency event and $10.00 per training/meeting activity for volunteers. Chiefs received additional $5 per event.

(***) Accounting fees are a budgeted amount and set annually - $700 per month, $1000 for audit

(****) Director Fees are set by regulation/Board approval - $30 per meeting, not to exceed 2 meetings per month.

COMPLIANCE REPORTING

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

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 Board of Commissioners
Ward One Rural Fire District
Delhi, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Ward One Rural Fire District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated May 10, 2018.

Internal Control Over Financial Reporting

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

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

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

P.O. BOX 1332 WEST MONROE, LA 71294 – (318)512-6367 David@dmhartt.com
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND SOCIETY OF LOUISIANA CPAS

To the Board of Commissioners
Ward One Rural Fire District
Delhi, Louisiana

Compliance and Other Matters

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

Purpose of this Report

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

This report is intended for the use of management of Ward One Rural Fire District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

David M. Hartt, CPA (APAC)

West Monroe, Louisiana
May 10, 2018

<u>WARD ONE RURAL FIRE DISTRICT</u>
<u>RICHLAND PARISH POLICE JURY</u>
<u>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</u>
<u>FOR THE YEAR ENDED DECEMBER 31, 2017</u>

To the Board of Commissioners
Ward One Rural Fire District
Delhi, Louisiana

I have audited the financial statements of Ward One Rural Fire District, a component unit of the Richland Parish Police Jury as of and for the year ended December 31, 2017, and have issued my report thereon dated May 10, 2018. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2017, resulted in an unqualified opinion.

Section I- <u>Summary of Auditor's Results</u>

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

<u>Internal Control</u>

Material Weakness	___ yes _X_ no
Significant Deficiencies not considered to be Material Weaknesses	___ yes _X_ no

<u>Compliance</u>

Compliance Material to Financial Statements	___ yes _X_ no

B. Federal Awards – N/A

Material Weakness Identified	___yes ___no
Significant Deficiencies not considered to be Material Weaknesses	___ yes ___no

Type of Opinion on Compliance For Major Programs (No Major Programs)
Unqualified _____ Qualified _____
Disclaimer _____ Adverse ______

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

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

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

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

No findings were reported under this section.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

WARD ONE RURAL FIRE DISTRICT
RICHLAND PARISH POLICE JURY
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Ward One Rural Fire District and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Ward One Rural Fire District (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

   c) ***Disbursements***, including processing, reviewing, and approving

   d) ***Receipts***, including receiving, recording, and preparing deposits

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

   f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

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

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

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

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

Currently, the Ward One Rural Fire District does not have written policies and procedures addressing budgeting, disbursements, receipts, payroll/personnel, contracting, ethics and debt service, but are in the process of writing policies as of January 1, 2018. The Fire District is under the jurisdiction of the Richland Parish Police Jury and has operated under the guidelines of federal and/or state government in budgeting, disbursements, receipts and general operations. The Fire District has no payroll.

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

The District's minutes were reviewed without exception and the Board meets at least four times annually, normally on a quarterly basis. The minutes include a financial recap for the Board to review.

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

The District has three bank accounts and all bank reconciliations for each month have been prepared. There is no written evidence that a member of management with no involvement in the transactions associated with the bank account has reviewed each bank reconciliation. There are no outstanding checks over six months old on any reconciliation.

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected**:
   a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
   b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
   c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
      - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
      - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

All cash/checks/money order (cash) collection is done at one location, the District's office in Delhi, LA. There is only one employee that handles all aspects of the accounting process and she is bonded. That employee receives the checks and all cash received and makes the deposit. A copy of the check received is made and put in the file and no sequentially numbered receipts are used.

The highest (dollar) week of cash collections was selected and traced to the deposit slip and bank statement without exception. There is no written policy for the District to determine completeness of all collections.

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

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

   a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

   b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

   c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

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

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

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

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

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

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

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

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

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

    b) Report whether finance charges and/or late fees were assessed on the selected statements.

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

    a) For each transaction, report whether the transaction is supported by:

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

    b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

    c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).
    If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

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

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

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

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

    a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

    b) Report whether each expense is supported by:

        - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
        - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
        - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

    c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

    d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The District had no travel reimbursements during the audit period.

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

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

    a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

The District does not maintain any contracts.

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee.

Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete.

    If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

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

There are no employees at the District. The participating volunteers are compensated through a per diem program set annually by the Board. The payments are reported appropriately at year end on 1099 forms to anyone receiving $600 or more each year. Participation sheets are prepared and turned in to the fire chief for approval for each incident and training event.

All employee and employer portions of payments and the required reporting forms were filed timely.

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

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

The Secretary/Treasurer received the required ethics training, but other Board members did not. Inquired as to any alleged ethics violations being reported to them and there were none. Volunteer firefighters are not classified as public servants and therefore are exempt from the required ethics training.

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

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

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

The District has no debt. The District receives a millage for operations that is collected by the Parish Tax Collector and remitted to the District.

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

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

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

Inquired of management whether the District had any misappropriations of public funds or assets and there was none. The entity does not have posted on its premises, the notice required by R.S. 24:523.1 as of year-end but does have it in place currently.

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

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

David M. Hart, CPA (APAC)

West Monroe, Louisiana
May 15, 2018