

WARD FIVE FIRE PROTECTION DISTRICT OF UNION PARISH  
DOWNSVILLE, LOUISIANA

FINANCIAL REPORT  
(Reviewed)

AND

REPORT ON APPLYING AGREED-UP ON PROCEDURES

December 31, 2018

**HILL, INZINA & COMPANY**

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# HILL, INZINA & COMPANY

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Commissioners  
Ward Five Fire Protection District of Union Parish  
Downsville, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and each major fund of Ward Five Fire Protection District of Union Parish (a component unit of Union Parish) (the "District"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the District's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

The District's 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 the financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a required 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. The information is the responsibility of management. We have not audited or reviewed such required supplementary information and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it.

### Other Supplementary Information

The other supplementary information is presented for purposes of additional analysis and also is not a required part of the basic financial statements. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the other supplementary information and, accordingly, we do not express an opinion on such information.

### Report on Agreed-Upon Procedures

In accordance with *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated May 14, 2019 on the results of our agreed-upon procedures.

*/s/ Hill, Inzina & Co.*

May 14, 2019

REQUIRED SUPPLEMENTARY INFORMATION (Part 1 of 2)

## WARD FIVE FIRE PROTECTION DISTRICT OF UNION PARISH

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the Year Ended December 31, 2018

As management of Ward Five Fire Protection District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2018. Please read it in conjunction with the District's basic financial statements. This discussion and analysis of management is designed to provide an objective and easy-to-read analysis of the District's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the District's finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the District based on information presented in the financial report and fiscal policies that have been adopted by the District. Specifically, this section is designed to assist the readers in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position (its ability to address the next and subsequent years' challenges), identify any material deviations from the financial plan (the approved budget), and identify individual issues or concerns.

As with other sections of this financial report, the information contained within this discussion and analysis of management should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and supplementary information that are provided in addition to this discussion and analysis of management.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's basic financial statements consist of the following components:

1. Government-wide financial statements.
2. Fund financial statements.
3. Notes to financial statements.

In addition to the basic financial statements and accompanying notes, the District also includes in subsequent sections of this report additional information to supplement the basic financial statements.

## 1. Government-wide financial statements

Government-wide financial statements are designed by the Governmental Accounting Standards Board (GASB) Statement No. 34 to change the way in which government financial statements are presented. It now provides readers with a concise “entity-wide” statement of net assets and statement of activities, seeking to give the users of the financial statements a broad overview of the District’s financial position and results of operations in a manner similar to a private-sector business.

The statement of net position presents information on all of the District’s assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or weakening. Evaluation of the overall economic health of the District would extend to other nonfinancial factors in addition to the financial information provided in this report.

The statement of activities presents information detailing how the District’s net position changed. 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 (e.g., uncollected fees).

The government-wide financial statements report governmental activities of the District that are principally supported by fees and services. Governmental activities include public safety.

## 2. Fund financial statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District’s only fund which is considered a major fund.

The District has only one fund type. The governmental fund is reported in the fund financial statements and encompasses essentially the same functions reported as governmental activities in the government-wide financial statements.

A reconciliation from both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance to the government-wide statements is provided to assist in understanding the differences between these two perspectives.

3. Notes to financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Government-Wide Financial Analysis

The following provides a summary of the net position of the District's governmental activities:

	Year Ended December 31,	
	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 665,022	\$ 1,135,036
Capital assets	<u>1,350,762</u>	<u>826,760</u>
Total assets	\$ <u>2,015,784</u>	\$ <u>1,961,796</u>
Other liabilities	\$ <u>10,041</u>	\$ <u>11,395</u>
Deferred inflow of resources	\$ <u>322,577</u>	\$ <u>329,253</u>
Net position:		
Invested in capital assets	\$ 1,350,762	\$ 826,760
Unrestricted	<u>332,404</u>	<u>794,388</u>
Total net position	\$ <u>1,683,166</u>	\$ <u>1,621,148</u>

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District will use the unrestricted net position to meet the ongoing obligations to users of its services and creditors.

Governmental Activities

The following provides a summary of the District's changes in net position:

	Year Ended December 31,	
	<u>2018</u>	<u>2017</u>
General revenues	\$ 348,921	\$ 350,615
Special items	36,598	-
Public safety expenses	<u>( 323,501)</u>	<u>( 232,477)</u>
Changes in net position	\$ <u>62,018</u>	\$ <u>118,138</u>

## Budgetary Highlights

The District adopted an annual appropriated budget for its General Fund. The General Fund budget complied with financial policies approved by the Board of Commissioners and maintained core District services.

The Commissioners voted for the outside accountant to prepare an amended 2018 budget on November 7, 2018 but that was never done.

## Capital Assets

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2018 was \$1,350,762. The District purchased vehicles costing \$628,400 and equipment costing \$10,425 during the current year.

## Economic Factors and Next Year's Budget

The same accountant mentioned above was also requested to prepare a budget for the year ending December 31, 2019 but that also was not done as of the date of this report.

BASIC FINANCIAL STATEMENTS

WARD FIVE FIRE PROTECTION DISTRICT OF UNION PARISH  
DOWNSVILLE, LOUISIANA

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
December 31, 2018

ASSETS

Cash	\$ 378,315
Prepaid expense	450
Property taxes receivable	286,257
Capital assets:	
Land	13,500
Other capital assets, net of depreciation	<u>1,337,262</u>
Total assets	<u>\$ 2,015,784</u>

LIABILITIES

Accounts payable	\$ 4,093
Accrued expenses	1,625
Protested property taxes	<u>4,323</u>
Total liabilities	<u>\$ 10,041</u>

DEFERRED INFLOWS OF RESOURCES

Related to property taxes	<u>\$ 322,577</u>
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NET POSITION

Net investment in capital assets	\$ 1,350,762
Unrestricted	<u>332,404</u>
Total net position	<u>\$ 1,683,166</u>

See independent accountant's review report and notes to financial statements.

WARD FIVE FIRE PROTECTION DISTRICT OF UNION PARISH  
DOWNSVILLE, LOUISIANA

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
For the Year Ended December 31, 2018

Expenses:	
Current:	
Public safety:	
Contract labor	\$ 27,810
Depreciation	98,472
Insurance	23,505
Lease	4,650
Maintenance and operations	42,945
Office supplies	15,411
Pension	11,087
Salaries	28,560
Supplies	57,659
Taxes - payroll	2,241
Telephone	2,582
Training	287
Utilities	8,292
Total expenses	<u>\$ 323,501</u>
General revenues:	
Property taxes	\$ 330,951
Intergovernmental	16,604
Interest	1,366
Special items:	
Insurance proceeds	52,949
Loss of disposition of capital asset	<u>( 16,351)</u>
Total general revenues and special items	<u>\$ 385,519</u>
Change in net position	\$ 62,018
Net position - beginning	<u>1,621,148</u>
Net position - ending	<u>\$ 1,683,166</u>

See independent accountant's review report and notes to financial statements.

WARD FIVE FIRE PROTECTION DISTRICT OF UNION PARISH  
DOWNSVILLE, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUND - GENERAL FUND  
December 31, 2018

ASSETS

Cash	\$	378,315
Prepaid expense		450
Property taxes receivable		<u>286,257</u>
Total assets	\$	<u>665,022</u>

LIABILITIES

Accounts payable	\$	4,093
Accrued expenses		1,625
Protested property taxes		<u>4,323</u>
Total liabilities	\$	10,041

DEFERRED INFLOWS OF RESOURCES

Related to property taxes	322,577
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FUND BALANCE

Unassigned	<u>332,404</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 665,022</u>

See independent accountant's review report and notes to financial statements.

WARD FIVE FIRE PROTECTION DISTRICT OF UNION PARISH  
DOWNSVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND - GENERAL FUND  
For the Year Ended December 31, 2018

Revenues:	
Property taxes	\$ 330,951
Intergovernmental	16,604
Insurance proceeds	52,949
Interest	<u>1,366</u>
Total revenues	<u>\$ 401,870</u>
Expenditures:	
Current:	
Public safety:	
Contract labor	\$ 27,810
Insurance	23,505
Lease	4,650
Maintenance and operations	42,945
Office supplies	15,411
Pension	11,087
Salaries	28,560
Supplies	57,659
Taxes - payroll	2,241
Telephone	2,582
Training	287
Utilities	8,292
Capital outlay	<u>638,825</u>
Total expenditures	<u>\$ 863,854</u>
Net change in fund balance	\$( 461,984)
Fund balance - beginning	<u>794,388</u>
Fund balance - ending	<u>\$ 332,404</u>

See independent accountant's review report and notes to financial statements.

WARD FIVE FIRE PROTECTION DISTRICT OF UNION PARISH  
DOWNSVILLE, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET  
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION  
December 31, 2018

Total fund balance - governmental fund balance sheet	\$ 332,404
Amounts reported for governmental activities in statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	<u>1,350,762</u>
Total net position of governmental activities - government-wide statement of net position	<u>\$ 1,683,166</u>

See independent accountant's review report and notes to financial statements.

WARD FIVE FIRE PROTECTION DISTRICT OF UNION PARISH  
DOWNSVILLE, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE TO  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

December 31, 2018

Net change in fund balance - governmental fund - general fund \$( 461,984)

Amounts reported for governmental activities in statement of activities are different because:

Governmental funds report the net book value of capital assets that are disposed as either a gain or loss. An asset costing \$49,052 with accumulated depreciation of \$32,701 was wrecked and removed from the District's fixed asset records. ( 16,351)

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 as depreciation expense. This is the amount by which capital outlays (\$638,825) exceeded depreciation expense (\$98,472) in the current period. 540,353

Change in net position of governmental activities - government-wide statement of activities \$ 62,018

See independent accountant's review report and notes to financial statements.

WARD FIVE FIRE PROTECTION DISTRICT OF UNION PARISH  
DOWNSVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

Note 1. Organization and Summary of Significant Accounting Policies

Ward Five Fire Protection District of Union Parish (the "District") was created by Union Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492. The District is governed by a five member board. Two members are appointed by Union Parish Police Jury, two members are appointed by Village of Downsville, and the fifth member, who is chairman, is selected by the other four members. Board members serve two year terms without compensation. The District is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the District.

The District employs two part-time employees.

The District is considered a component unit of Union Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on Union Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

The more significant of the District's accounting policies are described below:

Government-Wide Financial Statements:

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole as governmental activities, generally supported by program revenues.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges for services to users of the District's service. Other revenue sources not properly included with the program revenues are reported instead as general revenues.

## NOTES TO FINANCIAL STATEMENTS

### Fund Financial Statements:

Fund financial statements are provided for the governmental fund.

### Basis of Accounting, Measurement Focus, and Financial Statement Presentation:

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide financial statements report 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.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

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

### Fund Type and Major Fund:

The District reports the General Fund as a major governmental fund. The General Fund is the general operating fund of the District and accounts for all financial resources.

## NOTES TO FINANCIAL STATEMENTS

### Budgets and Budgetary Accounting:

The Board of Commissioners adopted the annual budget for the General Fund on November 30, 2017. The annual budget was prepared on a non-GAAP budgetary basis of accounting. The treasurer is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures resulting from revenues exceeding amounts estimated must be approved by the Board of Commissioners. There were no amendments made to the budget and the budgetary comparison schedule, included as supplementary information in the accompanying financial statements, includes the original budgeted amounts. All annual appropriations lapse at the end of each fiscal year.

### 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.

### Cash:

Cash includes amounts in demand deposits. 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.

### Receivables:

Receivables include property taxes only.

### Uncollectible Allowance:

The statements contain no provision for uncollectible accounts. The District's management is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

## NOTES TO FINANCIAL STATEMENTS

### Capital Assets and Depreciation:

Capital assets, which include property, plant, and equipment, with useful lives of more than one year are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. The District maintains a threshold level of \$1,500 or more for capitalizing assets.

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

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

As surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

	Estimated <u>Lives</u>
Buildings	40 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

### Deferred Inflows/Outflows of Resources:

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expenditure until then. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District's deferred inflows are related to property taxes.

## NOTES TO FINANCIAL STATEMENTS

### Equity Classifications:

In the government-wide financial statements, equity is classified as net position and classified further into two components:

1. Net investment in capital assets - consists of capital assets net of accumulated depreciation.
2. Unrestricted - consists of all other assets.

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

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

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Cash

As of December 31, 2018, the District had cash in an interest-bearing demand deposit account (book balance) totaling \$378,315. 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 were held in the name of the pledging fiscal agent bank in a hold or custodial bank that was mutually acceptable to both parties.

As of December 31, 2018, the District's collected bank balance of \$379,769 was secured from risk by \$250,000 of federal deposit insurance and \$149,769 of pledged securities held by the counterparty's trust department or agent in the District's name.

There were no repurchase or reverse repurchase agreements as of December 31, 2018.

### Note 3. Taxes

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The District is authorized and did levy a maximum tax of 10 mills on property within the boundaries of the District for maintenance and operations of the District. Total taxes levied for the year ended December 31, 2018 were \$322,578 and as of December 31, 2018, taxes receivable were \$286,257. The authorized millage expires with the year ending 2020.

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2018 for the District is as follows:

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018
Capital assets not being depreciated:				
Land	<u>\$ 13,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,500</u>
Capital assets being depreciated:				
Buildings	\$ 270,118	\$ -	\$ -	\$ 270,118
Vehicles	1,172,680	628,400	(195,552)	1,801,080
Equipment	<u>206,240</u>	<u>10,425</u>	<u>-</u>	<u>216,665</u>
Total capital assets being depreciated	<u>\$1,649,038</u>	<u>\$638,825</u>	<u>\$(195,552)</u>	<u>\$2,287,863</u>
Less accumulated depreciation for:				
Buildings	\$ 27,516	\$ 6,815	\$ -	\$ 34,331
Vehicles	697,649	73,232	(179,201)	770,881
Equipment	<u>110,613</u>	<u>18,425</u>	<u>-</u>	<u>129,038</u>
Total accumulated depreciation	<u>\$ 835,778</u>	<u>\$ 98,472</u>	<u>\$(179,201)</u>	<u>\$ 934,250</u>
 Total capital assets being depreciated, net	 <u>\$ 813,260</u>	 <u>\$540,353</u>	 <u>\$( 16,351)</u>	 <u>\$1,337,262</u>

Depreciation expense is reported separately in the statement of activities.

Note 5. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for all risks of loss. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

Note 6. Subsequent Events

Subsequent events were evaluated through May 15, 2019, which is the day the financial statements were available to be issued, and it was determined that no significant events had occurred requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION (Part 2 of 2)

WARD FIVE FIRE PROTECTION DISTRICT OF UNION PARISH  
DOWNSVILLE, LOUISIANA

BUDGETARY (NON-GAAP) COMPARISON SCHEDULE -  
GOVERNMENTAL FUND - GENERAL FUND  
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 321,707	\$ 321,707	\$ 330,951	\$ 9,244
Intergovernmental	-	-	16,604	16,604
Insurance proceeds	56,269	56,269	52,949	( 3,320)
Interest	1,318	1,318	1,366	48
Total revenues	<u>\$ 379,294</u>	<u>\$ 379,294</u>	<u>\$ 401,870</u>	<u>\$ 22,576</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public safety:</b>				
Contract labor	\$ 34,944	\$ 34,944	\$ 27,810	\$ 7,134
Insurance	23,505	23,505	23,505	-
Lease	5,100	5,100	4,650	450
Maintenance and operations	25,682	25,682	42,945	( 17,263)
Office supplies	6,641	6,641	15,411	( 8,770)
Pension	-	-	11,087	( 11,087)
Salaries	30,806	30,806	28,560	2,246
Supplies	57,139	57,139	57,659	( 520)
Taxes - payroll	-	-	2,241	( 2,241)
Telephone	2,273	2,273	2,582	( 309)
Training	2,597	2,597	287	2,310
Utilities	8,125	8,125	8,292	( 167)
Capital outlay	651,428	651,428	638,825	12,603
Total expenditures	<u>\$ 848,240</u>	<u>\$ 848,240</u>	<u>\$ 863,854</u>	<u>\$( 15,614)</u>
Net change in fund balance	\$( 468,946)	\$( 468,946)	\$( 461,984)	\$ 6,962
Fund balance - beginning	-	-	794,388	794,388
Fund balance - ending	<u>\$( 468,946)</u>	<u>\$( 468,946)</u>	<u>\$ 332,404</u>	<u>\$ 801,350</u>

See independent accountant's review report.

OTHER SUPPLEMENTARY INFORMATION

WARD FIVE FIRE PROTECTION DISTRICT OF UNION PARISH  
DOWNSVILLE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER PAYMENTS TO AGENCY HEAD AND COMMISSIONERS  
As of and For the Year Ended December 31, 2018

The District paid no compensation, reimbursements, or benefits to an agency head or commissioners during the year ended December 31, 2018.

See independent accountant's review report.

# HILL, INZINA & COMPANY

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners  
Ward Five Fire Protection District of Union Parish  
Downsville, Louisiana

We have performed the procedures enumerated below, which were agreed to by Ward Five Fire Protection District of Union Parish (the "District") and the Legislative Auditor (the specified parties), on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2018, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified enumerated 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:

### *Public Bid Law*

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.
  - Our review of expenditure totals and the detail general ledger revealed two individual checks for materials and supplies exceeding \$30,000 and no individual checks for or exceeding \$154,450 for public works. The expenditures for materials and supplies were made in accordance with the above referenced laws, as applicable.

### *Code of Ethics for Public Officials and Public Employees*

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101- 1124 (the ethics law).

3. Obtain a list of all employees paid during the fiscal year.
4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.
5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.
  - Management provided the requested information. The employees included on the employee list provided by management for agreed-upon procedure 3 did not appear on the list provided by management in agreed-upon procedure 2. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

#### *Budgeting*

6. Obtain a copy of the legally adopted budget and all amendments.
7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.
8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.
  - Management provided a copy of the original budget. We traced the adoption of the original budget to the minutes of a meeting held on November 30, 2017. The Commissioners voted for the outside accountant to prepare an amended 2018 budget on November 7, 2018 but that was never done.
  - We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Revenues did not fail to meet budgeted revenues by 5% or more but expenditures did exceed budgeted expenditures by 5% of more.
  - Revenues and beginning fund balances in the 2018 budget originally adopted failed to meet budgeted expenditures by \$461,984.

#### *Accounting and Reporting*

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and report whether the six disbursements:

- (a) agree to the amount and the payee in the supporting documentation;
  - (b) were coded to the correct fund and general ledger account; and
  - (c) were approved in accordance with management's policies and procedures.
- We examined supporting documentation for five of the six selected disbursements and found that the payments were for the proper amounts and made to the correct payees; were properly coded to the correct fund and general ledger accounts; and received approval from the Board of Commissioners by their acceptance of the treasurer's report presented at each meeting.

A voided check, invoice, or posting to the general ledger was not found for the other selection.

It was noted that sales tax was paid on one of the examined invoices.

#### *Meetings*

- 10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.
  - Management represented that the District is only required to post a notice of each meeting and the accompanying agenda at the meeting site. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion other than copies of the notices and agendas.

#### *Debt*

- 11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of banks loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.
  - We scanned bank deposits and the detail general ledger for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

#### *Advances and Bonuses*

- 12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

- We scanned payroll disbursements and read the meeting minutes of the District's board for the fiscal year. We found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

#### *State Audit Law*

13. Report whether the District provided for a timely report in accordance with R.S. 24:513.
14. Inquire of management and report whether the District entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the District was not in compliance with R.S. 24:513 (the audit law).
  - The District's report that was due on June 30, 2018 was timely submitted; therefore, the District was in compliance with R.S. 24:513.

#### *Prior-Year Comments*

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.
  - The independent accountant's prior year report on applying agreed-upon procedures, dated June 21, 2018 included one finding relating to noncompliance with the Local Government Budget Act. See the previous *Budget* section.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. 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.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the results 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 Legislative Auditor as a public document.

/s/ Hill, Inzina & Co.

May 14, 2019

LOUISIANA ATTESTATION QUESTIONNAIRE

1-8-19 Date

Hill, Inzina & Co.  
Certified Public Accountants  
701 East Madison Avenue  
Bastrop, LA 71220

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2018 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes  No

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes  No

We have filed our annual financial statements in accordance with R.S. 24:514 and 33:463 where applicable.

Yes  No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.A.(2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No

We have complied with R.S. 24:513A.(3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No

### Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes  No

### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes  No

### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes  No

### Prior Year Comments

We have resolved all prior year recommendations and/or comments.

Yes  No

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report.

Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency(ies) any known noncompliance that may occur up to the date of your report.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

 Chairman 1-8-19 Date

 Treasurer 1-8-19 Date