

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
<u>FINANCIAL SECTION</u>	
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet – Governmental Fund	6
Reconciliation of the Governmental Fund's Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	9
Notes to Financial Statements	10-18
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Budgetary Comparison Schedule General Fund	19
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	20
<u>RELATED REPORTS</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21-22
Schedule of Findings and Responses	23-24
Schedule of Prior Year Findings	25
<u>INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES</u>	
Management Responses to Statewide Agreed-Upon Procedures Exceptions	26-34
	35-36

James L. Nicholson, Jr., CPA
G. Kenneth Pavy, II, CPA
Michael A. Roy, CPA
Lisa Trouille Manuel, CPA
Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
www.jsdc-cpas.com

John S. Dowling, CPA
1904-1984
John Newton Stout, CPA
1936-2005
Chizal S. Fontenot, CPA
1955-2012

Van L. Auld, CPA

Retired

Harold Dupre, CPA
1996
Dwight Ledoux, CPA
1998
Joel Lanclos, Jr., CPA
2003
Russell J. Stelly, CPA
2005

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Fire Protection District No. Five
of St. Landry Parish
Arnaudville, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of Fire Protection District No. Five of St. Landry Parish, a component unit of the St. Landry Parish Government, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Fire District, as of December 31, 2018 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Board of Commissioners
Fire Protection District No. Five
of St. Landry Parish
Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fire District's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 20, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

This schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 28, 2019, on our consideration of the Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Fire District's internal control over financial reporting and compliance.

The Board of Commissioners
Fire Protection District No. Five
of St. Landry Parish
Page 3

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report dated May 28, 2019, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

John S. Dowling & Company

Opelousas, Louisiana
May 28, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

GOVERNMENTAL ACTIVITIES

ASSETS

Cash	\$ 1,105,496
Property taxes receivable, net	387,696
State revenue sharing receivable	31,558
Capital assets, net	<u>1,672,128</u>
<u>Total assets</u>	<u>3,196,878</u>

LIABILITIES

Accounts payable	<u>2,497</u>
<u>Total liabilities</u>	<u>2,497</u>

NET POSITION

Net investment in capital assets	1,672,128
Unrestricted	<u>1,522,253</u>
<u>Total net position</u>	<u><u>3,194,381</u></u>

See accompanying notes and independent auditor's report.

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
DECEMBER 31, 2018

<u>ACTIVITIES</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION</u>
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>		<u>GOVERNMENTAL ACTIVITIES</u>
<u>Governmental Activities</u>					
Public safety - fire	\$ 328,323	\$ -	\$ -	\$ -	\$ (328,323)
<u>Total governmental activities</u>	<u>328,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(328,323)</u>
General revenues					
Property taxes					432,036
Intergovernmental					74,795
Interest and investment earnings					5,054
Insurance claim					6,896
Miscellaneous					1,051
<u>Total general revenues</u>					<u>519,832</u>
Change in net position					191,509
Net position – January 1, 2018					<u>3,002,872</u>
Net position – December 31, 2018					<u><u>3,194,381</u></u>

See accompanying notes and independent auditor's report.

FUND FINANCIAL STATEMENTS

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2018

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Cash	\$ 1,105,496
Property taxes receivable, net	387,696
State revenue sharing receivable	<u>31,558</u>
<u>Total assets</u>	<u>1,524,750</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts payable	\$ 2,497
<u>Total liabilities</u>	<u>2,497</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable revenue - property taxes and revenue sharing	<u>68,380</u>
<u>Total deferred inflows of resources</u>	<u>68,380</u>
 <u>FUND BALANCE</u>	
Unassigned	653,873
Committed	
PVFD driveway	50,000
SCBA replacement	100,000
Greenbriar property purchase	100,000
Construction of Greenbriar station	400,000
Existing station improvements	<u>150,000</u>
<u>Total fund balance</u>	<u>1,453,873</u>
 <u>Total liabilities, deferred inflows of resources, and fund balance</u>	 <u>1,524,750</u>

See accompanying notes and independent auditor's report.

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

Total fund balance for the governmental fund at December 31, 2018		\$1,453,873
The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current-period expenditures are deferred in governmental funds.		68,380
Cost of capital assets at December 31, 2018	\$3,130,068	
Less: Accumulated depreciation as of December 31, 2018	<u>(1,457,940)</u>	<u>1,672,128</u>
Net position at December 31, 2018		<u><u>3,194,381</u></u>

See accompanying notes and independent auditor's report.

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>GENERAL FUND</u>
<u>REVENUES</u>	
Taxes	
Property taxes	\$ 435,200
Intergovernmental	
State revenue sharing	46,660
Fire insurance tax	28,126
Other revenue	
Interest earnings	5,054
Miscellaneous	1,051
Insurance claim	6,896
<u>Total revenues</u>	522,987
<u>EXPENDITURES</u>	
Public safety	
Current	
Contract work	6,000
Per diem fees	2,450
Postage	160
Professional fees	2,796
Miscellaneous	6,053
Building maintenance	13,010
Equipment maintenance	24,540
Firefighting clothing and accessories	12,727
Insurance	43,931
Communications	9,574
Training	3,720
Truck repairs	40,787
Truck fuel	4,546
Utilities	17,698
Supplies and repairs	3,722
Property tax pension expense	14,474
Capital outlay	
Trucks and equipment	311,102
<u>Total expenditures</u>	517,290
<u>NET CHANGE IN FUND BALANCE</u>	5,697
<u>FUND BALANCE</u> , beginning of year	1,448,176
<u>FUND BALANCE</u> , end of year	1,453,873

See accompanying notes and independent auditor's report.

FIRE PROTECTION DISTRICT NO. FIVE
OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Total net change in fund balance for the year ended December 31, 2018 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 5,697	
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.		(3,155)
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 311,102	
Depreciation expense for year ended December 31, 2018	<u>(122,135)</u>	<u>188,967</u>
Total change in net position for the year ended December 31, 2018 per Statement of Activities		<u>191,509</u>

See accompanying notes and independent auditor's report.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Fire Protection District No. Five of St. Landry Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The following is a summary of certain significant accounting policies and practices of the Fire Protection District No. Five of St. Landry Parish.

A. FINANCIAL REPORTING ENTITY

The basic entity being reported on is Fire Protection District No. Five of St. Landry Parish. Fire Protection District No. Five of St. Landry Parish (Fire District), which is a political subdivision of the state of Louisiana, was created by a resolution of the St. Landry Parish Police Jury in 1983. The District is governed by a Board of Commissioners. The District was created for the purpose of acquiring, maintaining, and operating buildings, machinery, equipment, water tanks, water hydrants, and water lines and any other such thing necessary to provide proper fire prevention and control within the District's limits. The District is financed primarily by parish ad valorem taxes which are dedicated for fire expenditures and debt service.

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish government appoints a voting majority of the District's governing body and the parish government has the ability to impose its will on the District, the District was determined to be a component unit of the St. Landry Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of Fire Protection District No. Five of St. Landry Parish, the primary government, as a whole. They include all funds of the reporting entity. 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. Fiduciary funds are not included in the GWFS.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FUND FINANCIAL STATEMENTS

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The fund presented in the financial statements and considered a major fund is described as follows:

Governmental Fund

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

MEASUREMENT FOCUS

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

BASIS OF ACCOUNTING

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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 (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the state of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Interest earnings are recorded as earned since they are measurable and available.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. CASH AND INVESTMENTS

Under state law the District may deposit funds with any bank located within the state and organized under the laws of the state of Louisiana, any other state in the union, or under the laws of the United States. Further, the District may invest in time deposits or certificates of deposit of those banks.

Custodial risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100% of the uninsured amount on deposit with the bank.

At year-end, the carrying amount of the District's cash was \$ 1,105,496. The bank balance of cash was \$1,359,999. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,130,004 was covered by pledged securities. Deposits secured by pledged securities were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Fire District's name. The Fire District does not have a policy for custodial credit risk.

E. CAPITAL ASSETS

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment and furniture	10-20 years
Trucks	20-30 years
Software	5 years

The District maintains a threshold level of \$1,000 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 asset lives are not capitalized.

Construction period interest is capitalized if material amounts or interest resulting from borrowings in the course of the construction of fixed assets is incurred. No interest was capitalized for the year ended December 31, 2018.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The budget must be finally adopted by the District no later than the last day of the preceding year.
2. The Board of Commissioners may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
3. Operating appropriations lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
4. Budgets are adopted on a modified accrual basis.

G. VACATION, SICK LEAVE, AND PENSION PLAN

The District does not have any employees.

H. ENCUMBRANCES

Encumbrance accounting is not used by the District.

I. EXPENDITURES AND EXPENSES

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, governmental funds report expenditures of financial resources.

J. EQUITY CLASSIFICATIONS

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

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

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. EQUITY CLASSIFICATIONS (Continued)

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

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.

1. 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 for enabling legislation.
2. 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.
3. 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 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 nor committed.
4. 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.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

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.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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.

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until that time. The District does not have any of this type.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District does not have any of this type.

Property taxes and state revenue sharing receivable for the governmental fund types, which have been remitted within 60 days subsequent to the year-end, are considered measurable and available and recognized as revenues. All other property taxes and state revenue sharing are offset by deferred inflows of resources and, accordingly, have not been recorded as revenue.

NOTE 2 - PROPERTY TAXES

The District's property tax is collected by an intermediary government and remitted on a monthly basis. The intermediary government maintains the tax roll for property taxes for the District. The property tax, levied for the calendar year, is due to the intermediary government on or before December 31 and becomes delinquent on January 1. The taxes are generally collected in December of the current year and January and February of the ensuing year. For the year ended December 31, 2018, taxes of 13.77 mills were levied for maintenance.

All revenue sharing and property tax receivables are shown net of any allowance for uncollectable accounts. Property tax receivable for all governmental fund types, which have been remitted within 60 days subsequent to year-end, are considered measurable and available and recognized as revenues. All other property taxes are offset by deferred inflows of resources and, accordingly, have not been recorded as revenue.

The taxpayers of Fire Protection District No. Five approved, at a special election held on April 21, 2012, a maintenance tax millage of 14.25 to be the maximum that could be assessed for a ten year period beginning with the 2013 tax year.

As per state requirements, each taxing district of the parish must remit a portion of total ad valorem taxes to the pension fund. This amount is determined by the legislative auditor each year and is to be taken out of the first month of collections of property taxes. If the collections from the first month are not sufficient to cover the pension fund deduction, then the remainder must be deducted from subsequent collections of the property taxes.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 - PROPERTY TAXES (Continued)

Since the Sheriff of the parish collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the pension fund amount owed and the remainder is remitted to the taxing district. A breakdown of property taxes receivable as of December 31, 2018 is as follows:

	<u>Total Tax Per Roll</u>	<u>Pension Fund Requirements</u>	<u>Estimated Uncollectible</u>	<u>Collected in November & December</u>	<u>Net Tax Receivable</u>
General Fund	\$ 446,192	\$14,474	\$2,388	\$ 41,634	\$ 387,696

NOTE 3 - CAPITAL ASSETS

Capital assets and depreciation activity, as of and for the year ended December 31, 2018, for Fire Protection District No. Five of St. Landry Parish are as follows:

	<u>Balance 1/1/2018</u>	<u>Purchases</u>	<u>Deletions</u>	<u>Balance 12/31/2018</u>
Governmental activities				
Buildings	\$ 192,943	\$ -	\$ -	\$ 192,943
Equipment and furniture	578,432	-	-	578,432
Trucks	2,037,591	311,102	-	2,348,693
Land	10,000	-	-	10,000
<u>Totals at historical cost</u>	<u>2,818,966</u>	<u>311,102</u>	<u>-</u>	<u>3,130,068</u>
Less accumulated depreciation				
Buildings	58,625	4,810		63,435
Equipment and furniture	340,521	37,107		377,628
Trucks	936,659	80,218		1,016,877
<u>Total accumulated depreciation</u>	<u>1,335,805</u>	<u>122,135</u>	<u>-</u>	<u>1,457,940</u>
Governmental activities				
Capital assets, net	<u>1,483,161</u>	<u>188,967</u>	<u>-</u>	<u>1,672,128</u>

Depreciation expense was charged to governmental activities as follows:

Public safety – fire	\$ 122,135
----------------------	------------

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4 - DEFICITS IN INDIVIDUAL FUNDS

The District does not have a deficit fund balance for the year ended December 31, 2018.

NOTE 5 - PER DIEM

Compensation and travel paid to board members is summarized below:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Compensation</u>
James P. Womack	12	\$ 600
Randy Courville	12	600
Lester Bergeron	6	300
Andrew Degenhardt	8	400
Ryan Dupre	11	550
		<u>2,450</u>

NOTE 6 - SUBSEQUENT EVENTS

Subsequent events were evaluated through May 28, 2019, the date which the financial statements were available to be issued. As of that date, there are no subsequent events noted.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Fire Protection District No. Five of St. Landry Parish does not provide any post-employment benefits to retirees other than pension and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

NOTE 8 - FUND BALANCE CONSTRAINTS

The constraints on fund balance as listed in aggregate in the Statement of Revenues, Expenditures, and Changes in Fund Balance are detailed according to balance classification.

	<u>General Fund</u>
Fund Balances:	
Nonspendable	\$ -
Restricted	-
Committed	800,000
Assigned	-
Unassigned	653,873
	<u>1,453,873</u>
<u>Total fund balances</u>	<u>1,453,873</u>

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Taxes	\$ 390,000	\$ 415,500	435,200	\$ 19,700
Intergovernmental	77,000	74,893	74,786	(107)
Interest earnings	2,500	4,200	5,054	854
Miscellaneous	1,000	-	1,051	1,051
Insurance claim	-	6,896	6,896	-
<u>Total revenues</u>	<u>470,500</u>	<u>501,489</u>	<u>522,987</u>	<u>21,498</u>
<u>EXPENDITURES</u>				
Public safety – fire				
Office supplies	2,000	4,000	3,722	278
Electricity	10,000	10,000	9,751	249
Telephone	5,500	6,000	5,728	272
Utilities	2,000	2,500	2,219	281
Insurance	45,000	44,000	43,931	69
Miscellaneous expense	5,000	6,000	6,053	(53)
Postage	200	200	160	40
Firefighting clothing and accessories	75,000	30,000	12,727	17,273
Communications	7,000	10,000	9,574	426
Fuel and oil	6,000	5,000	4,546	454
Truck repairs	50,000	45,000	40,787	4,213
Building Maintenance	45,000	15,000	13,010	1,990
Training	5,000	4,000	3,720	280
Professional fees	10,000	6,000	2,796	3,204
Equipment maintenance	30,000	26,000	24,540	1,460
Prevention education expense	1,000	-	-	-
Board of directors per diem	3,000	3,000	2,450	550
Secretary - bookkeeper	6,000	6,000	6,000	-
Property tax pension expense	-	-	14,474	(14,474)
Capital outlay				
Trucks and equipment	-	300,000	311,102	(11,102)
<u>Total expenditures</u>	<u>307,700</u>	<u>522,700</u>	<u>517,290</u>	<u>5,410</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>162,800</u>	<u>(21,211)</u>	<u>5,697</u>	<u>26,908</u>
<u>FUND BALANCE</u> , beginning of year			<u>1,448,176</u>	
<u>FUND BALANCE</u> , end of year			<u>1,453,873</u>	

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
SCHEDULE OF COMPENSATION BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2018

Agency Head Name: James P. Womack, Chairman

Purpose	Amount
Salary	0
Benefits-insurance	0
Benefits-retirement	0
Benefits	0
Car allowance	0
Vehicle provided by government	0
Per diem	\$ 600
Reimbursements	544
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses*	0
Special meals	0
Other	0

See independent auditor's report.

RELATED REPORTS

James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
 www.jsdc-cpas.com

John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005
 Chizal S. Fontenot, CPA
 1955-2012

Van L. Auld, CPA

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003
 Russell J. Stelly, CPA
 2005

**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**

The Board of Commissioners
 Fire Protection District No. Five
 of St. Landry Parish
 Arnaudville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of The Fire Protection District No. Five of St. Landry Parish as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements and have issued our report thereon dated May 28, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2018-1 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fire District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings and Responses as item 2018-2.

P. O. Box 1549
 4766 I-49 North Service Road
 Opelousas, Louisiana 70570
 Phone: 337-948-4848
 Fax: 337-948-6109

112 Fountain Bend Dr.
 Lafayette, LA 70506
 Phone: 337-984-9717
 Fax: 337-984-5544

The Board of Commissioners
Fire Protection District No. Five
of St. Landry Parish
Page 2

The Fire District's response to Findings

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

Purpose of this Report

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

John S. Dowling & Company
Opelousas, Louisiana
May 28, 2019

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2018

SECTION I - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Fire Protection District No. Five of St. Landry Parish of Arnaudville, Louisiana.
2. One significant deficiency and no material weakness relating to the audit of the financial statements are reported in the 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.
3. One instance of noncompliance relating to the audit of the financial statements was reported in the 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.
4. No management letter was issued for the Fire District as of and for the year ended December 31, 2018.
5. There was no single audit requirement under The Uniform Guidance.

SECTION II - INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL

2018-1 Inadequate Segregation of Duties

Condition: Due to the small size of the District, the District did not have adequate segregation of functions within the accounting system.

Criteria: Accounting duties should be segregate among employees.

Cause: There are only a few people performing the daily operating activities.

Effect: The accounting functions are not segregated, and it is important that you are aware of this condition because errors or fraud could occur and not be detected.

Recommendation: A system of internal control should be established in order to mitigate the problem of having such few people performing the daily accounting functions.

Corrective Action Plan: There are not enough people at the District to segregate the accounting duties.

Contact Person: Candice Elkins

COMPLIANCE

2018-2 Budget Presentation

Condition: The budget was not presented in the required format.

Criteria: The Louisiana Local Government Budget Act (RS 39:1305(c)(2)(a)) states that the budget must be presented in a specific format.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

SECTION II - INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS
(CONTINUED)

COMPLIANCE (CONTINUED)

2018-2 Budget Presentation (Continued)

Cause: The budget was not properly presented.

Effect: The format required by the Louisiana Government Budget Act was not followed.

Recommendation: The budget should be presented in the proper format.

Corrective Action Plan: Budget will be prepared in proper format.

Contact Person: Candice Elkins

SECTION III - INTERNAL CONTROL AND COMPLIANCE TO FEDERAL AWARDS

N/A

SECTION IV - MANAGEMENT LETTER

N/A

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2018

SECTION I - INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS

COMPLIANCE

2017-1 Budget Presentation

Unresolved – Repeat Comment

SECTION II - INTERNAL CONTROL AND COMPLIANCE TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

N/A

James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
 www.jsdc-cpas.com

Van L. Auld, CPA

John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005
 Chizal S. Fontenot, CPA
 1955-2012

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003
 Russell J. Stelly, CPA
 2005

INDEPENDENT ACCOUNTANT'S REPORT
 ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of Fire
 Protection District No. Five of St. Landry
 Parish and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Fire Protection District No. Five of St. Landry Parish (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, 2018 through December 31, 2018. 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

Finding: The Fire District does not have any written policies or procedures addressing budgeting.

- 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.

Finding: The Fire District does not have any written policies or procedures addressing purchasing.

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

Finding: The Fire District does not have any written policies or procedures addressing disbursements.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Board of Commissioners
 Fire Protection District No. Five
 of St. Landry Parish
 Page 2

Finding: The Fire District does not have any written policies or procedures addressing receipts and collections.

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

Finding: The Fire District does not have any employees; therefore, the Fire District does not have any written policies or procedures addressing payroll and personnel.

- 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

Finding: The Fire District does not have any written policies or procedures addressing contracting.

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

Finding: The Fire District does not have any written policies or procedures addressing credit cards.

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

Finding: Written policies and procedures were obtained for travel and expense reimbursements. The policies and procedures address all of the above functions except documentation requirements and 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.

Finding: The Fire District does not have any written policies or procedures addressing ethics.

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

Finding: The Fire District does not have any debt; therefore, the Fire District does not have any written policies or procedures addressing debt service.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Finding: Obtained and reviewed the board meeting minutes for the fiscal period, noting that the board met each month.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Finding: The minutes did not reference monthly budget-to-actual comparisons on the general fund or monthly financial statements; however, these statements are presented to the board each month.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Finding: Not applicable. The general fund did not have a negative unrestricted fund balance.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Finding: Obtained a listing of client bank accounts from management and management's representation that the listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Finding: Bank reconciliations included an electronic date and time of preparation and all of the dates were within 2 months of the statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Finding: Bank reconciliations did not include evidence that a member of management/board member reviewed each bank reconciliation. However, the board members are presented the bank statements and bank reconciliations at each monthly board meeting.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Finding: No items were outstanding for more than 12 months. No exceptions noted.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Finding: The Fire District only has one deposit site and obtained management's representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Finding: The Fire District only has one collection location and obtained management's representation that the listing is complete.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Finding: There is no cash register or drawer; collections only consists of checks.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Finding: The person responsible for collecting cash is also responsible for making bank deposits and reconciling collection documentation to the deposits.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Finding: The person responsible for collecting cash is also responsible for posting collection entries to the general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Finding: The person responsible for reconciling cash collection to the general ledger is also responsible for cash collections. However, the bank statements and bank reconciliations are reviewed by the board members at each monthly meeting.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Finding: The person who has access to cash is not bonded.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

Finding: Of the 4 deposits selected, no exceptions noted.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Finding: Of the 4 deposits selected, no exceptions noted.

c) Trace the deposit slip total to the actual deposit per the bank statement.

Finding: Of the 4 deposits selected, no exceptions noted.

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Finding: Of the 4 deposits selected, none of the deposits were made within one business day. The deposits were for ad valorem taxes and state revenue sharing collected.

e) Trace the actual deposit per the bank statement to the general ledger.

Finding: Of the 4 deposits selected, no exceptions noted.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Finding: There is only one location that processes payments and obtained management's representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Finding: Multiple board members are involved in initiating/making purchases and also approving payments.

b) At least two employees are involved in processing and approving payments to vendors.

Finding: All invoices are approved by the board at monthly meetings and two signatures are required on each check.

c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Finding: The person responsible for processing payments is not prohibited from adding/modifying vendor files.

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Finding: The person responsible for processing payments is also responsible for mailing the payments.

The Board of Commissioners
 Fire Protection District No. Five
 of St. Landry Parish
 Page 6

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

Finding: Obtained the year-to-date general ledger and management's representation that the population is complete.

- a) Observe that the disbursement matched the related original invoice/billing statement.

Finding: Of the 5 disbursements selected, no exceptions noted.

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

Finding: The 5 disbursements did not include signature of approval or date, but all disbursements are approved by the board at monthly meetings.

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

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

Finding: Obtained the list of all active fuel cards, including card numbers and names, and management's representation that the list is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Finding: There is no evidence of review or approval, but invoices are approved by the board at monthly meetings.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Finding: No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Finding: Not applicable. The Fire District only has fuel cards.

Travel and Expense Reimbursement

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

Finding: Obtained the general ledger from management and management's representation that the listing is complete.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Finding: The per diem reimbursement did not exceed GSA rates.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Finding: All reimbursements were supported by original receipts that identified precisely what was purchased.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Finding: All reimbursements were supported by documentation of the business purpose.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding: Reimbursements were not reviewed or approved in writing, but all expenses are approved by the board at the monthly meetings.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Finding: Agreements were not subject to public bid law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Finding: Agreements were approved by the board in the monthly meetings.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Finding: No contracts/agreements were amended during the fiscal period.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Finding: Supporting invoices and related payments agreed to the terms and conditions of the agreements. No exceptions noted.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Finding: The Fire District does not have any employees. The board members and the secretary/bookkeeper are 1099 recipients.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above-obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Finding: Obtained the ethics documents from management noting that the secretary/bookkeeper, which is a 1099 recipient, completed one hour of ethics training during the fiscal period.

The Board of Commissioners
 Fire Protection District No. Five
 of St. Landry Parish
 Page 9

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Finding: The Fire District does not have an ethics policy.

Debt Service (excluding nonprofits)

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

Finding: The Fire District did not incur debt during the fiscal period.

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

Finding: The Fire District did not have debt outstanding at the end of the fiscal period.

Other

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

Finding: Per management, there were no misappropriations of public funds or assets during the fiscal period.

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

Finding: The required notice is posted on the premises. The Fire District does not have a website.

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

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

John S. Dowling & Company

Opelousas, Louisiana
 May 28, 2019

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 2018

Management's responses to the following agreed-upon procedure sections:

Written Policies and Procedures:

1. a) Budgeting
- b) Purchasing
- c) Disbursements
- d) Receipts/Collections
- f) Contracting
- g) Credit cards
- h) Travel and expense reimbursement – (3) documentation requirements and (4) required approvers
- i) Ethics

Management's response: All purchase authorizations are made in open meeting. All invoices/disbursements are approved in open meeting with two signers on all checks.

Board or Finance Committee:

2. b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Management's response: Financial report/budget comparison is reviewed at each meeting. We will have the minutes reflect this.

Bank Reconciliations:

3. b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged)

Management's response: We will have Chairman sign off on reconciliations once reviewed.

Collections:

5. b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Management's response: Due to the small size of this volunteer department, we are unable to segregate duties.

FIRE PROTECTION DISTRICT NO. FIVE OF ST. LANDRY PARISH
ARNAUVILLE, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 2018

Management's responses to the following agreed-upon procedure sections - continued:

Collections:

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Management's response: The District has a management liability policy.

7. b) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Management's response: Deposits are made as quickly as possible.

Non-Payroll Disbursements:

9. c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Management's response: Due to the small size of this volunteer department, we are unable to segregate duties.

10. b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Management's response: Due to the small size of this volunteer department, we are unable to segregate duties.

Fuel Cards:

12. a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.])

Management's response: Fuel purchases/statements are reviewed by the full Board each month for excess fuel purchase.

Travel and Travel-Related Expense Reimbursements:

14. d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Management's response: Before approving travel requests, the Board reviews the need for the travel, such as training, conferences, etc., then makes a decision on reimbursement.