

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE
CONCORDIA
PARISH POLICE JURY)
VIDALIA, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2019

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA**

Annual Financial Statements
as of and for the Year Ended December 31, 2019
with Supplementary Information Schedules

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report-----		1-3
Section I - Required Supplementary Information		
Management's Discussion and Analysis -----		4-7
Section II - Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position-----	A	8
Statement of Activities-----	B	9
Section III - Fund Financial Statements		
Governmental Funds		
Balance Sheet-----	C	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position-----	D	11
Statement of Revenues, Expenditures, and Changes in Fund Balances-----	E	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities-----	F	13
Notes To Financial Statements -----		14-23
Section IV - Required Supplementary Information		
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Cash Basis) - General Fund-----	<u>Exhibit</u> 1	24
Notes to the Required Supplementary Information-----		25
Schedule of the District's Proportionate Share of the Net Pension Liability-----		26
Schedule of the District's Contributions-----		27

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA

Annual Financial Statements
 as of and for the Year Ended December 31, 2019
 with Supplementary Information Schedules

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Section V – Other Supplementary Information		
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head-----		28
Schedule of Compensation Paid to Board Members-----		29
Section VI – Reports Required by <i>Government Auditing Standards</i>		
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> -----		30-31
Section VII – Schedule of Findings		
Schedule of Findings -----		32
Summary of Prior Year Findings -----		33
Status of Current Year Findings, Recommendations, and Corrective Action Plan -----		34
Section VIII – Agreed-Upon Procedures		
Independent Accountant’s Report on Applying Agreed-Upon Procedures -----		35
Supplemental Schedule of Agreed-Upon Procedures and Findings -----		36-42
Schedule of Exceptions -----		43



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS and **INDEPENDENT AUDITOR'S REPORT**

www.silassimmons.com

209 N. Commerce St.
Natchez, MS 39120
P. O. Box 1027
Natchez, MS 39121
Tel: 601-442-7411
Fax: 601-442-8551

2120 Forsythe Ave.
Monroe, LA 71201
P. O. Box 4550
Monroe, LA 71211
Tel: 318-323-4481
Fax: 318-323-2188

Members of the Board of Supervisors
Concordia Fire Protection District No. 2
Vidalia, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Concordia Fire Protection District No. 2 (the District), a component unit of Concordia Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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, the major fund, and the aggregate remaining fund information of Concordia Fire Protection District No. 2, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, the schedule of the District's proportionate share of the net pension liability, and the schedule of the District's contributions on pages 4 through 7 and pages 24 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, reimbursements, benefits, and other payments to the agency head and the schedule of compensation paid to board members are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2020, on our consideration of Concordia Fire Protection District No. 2'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Concordia Fire Protection District No. 2's internal control over financial reporting and compliance.

This report is intended for the information of the Members of the Concordia Parish Police Jury and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, LLP

Natchez, Mississippi
April 2, 2020

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

INTRODUCTION

Our discussion and analysis of Concordia Fire Protection District No. 2 of Concordia Parish, Louisiana's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2019.

The District's boundaries are all of Concordia Parish except inside of the corporate limits of any municipality in Concordia Parish and inside of Monterey Fire Protection District No. 1. Concordia Parish is located in East Central Louisiana.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$1,213,293 (net position) and \$1,332,716 at December 31, 2019 and 2018, respectively.
- Total expenditures exceeded revenues by \$119,423 at December 31, 2019, and total expenditures exceeded revenues by \$88,474 at December 31, 2018.
- The District had net capital assets of \$668,487 and \$830,797 at December 31, 2019 and 2018, respectively.
- The total payroll was \$257,742 and \$242,358 at December 31, 2019 and 2018, respectively.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and sales taxes. Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 8 through 9 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The basic governmental fund financial statements can be found on pages 10 through 13 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 23 of this report.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table represents a condensed statement of net position as of December 31, 2019 and 2018:

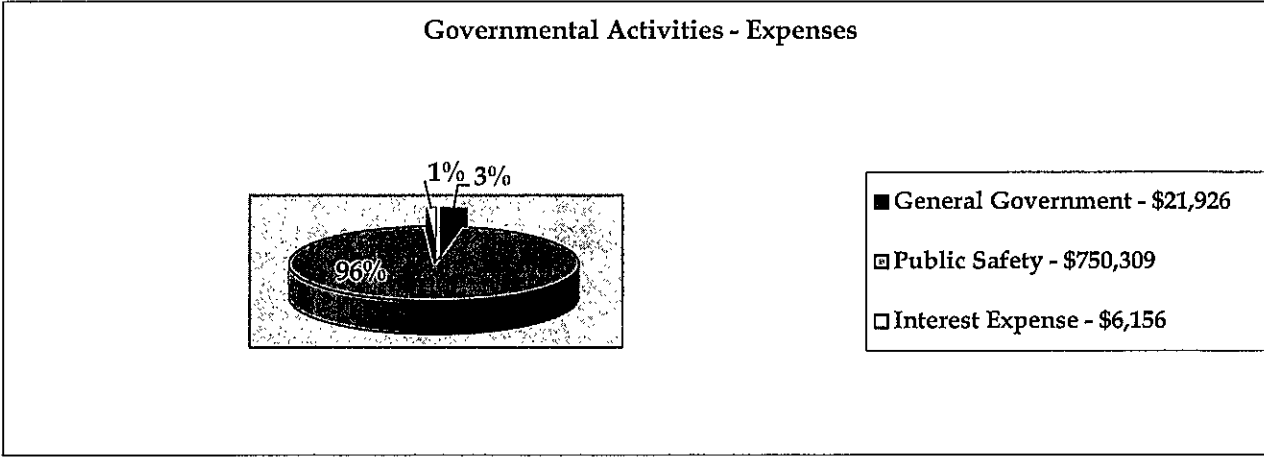
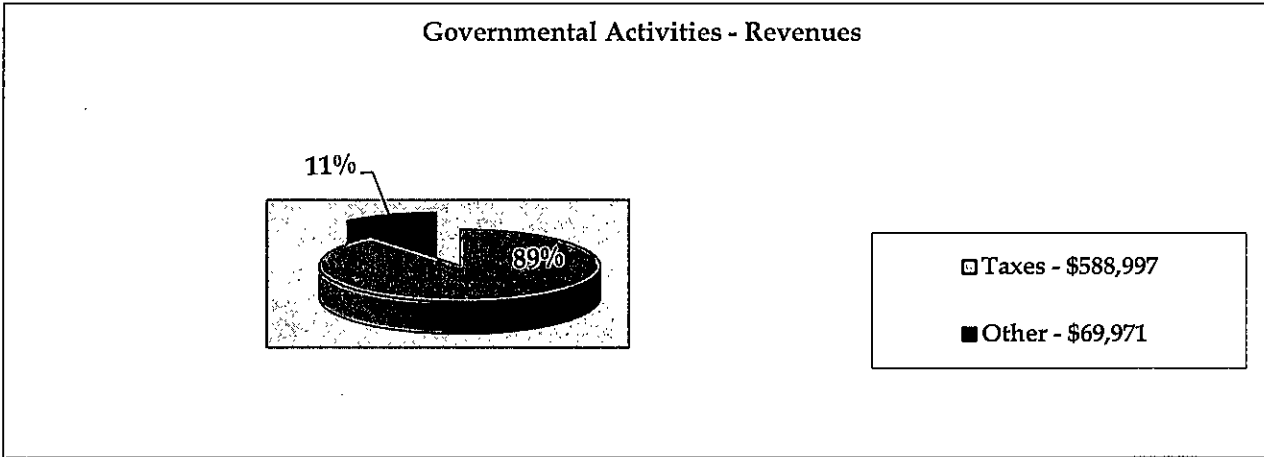
	<u>2019</u>	<u>2018</u>
Assets		
Current assets	\$ 838,381	\$ 869,997
Capital assets, net	<u>668,487</u>	<u>830,797</u>
Total assets	<u>\$ 1,506,868</u>	<u>\$ 1,700,794</u>
Deferred outflows of resources	<u>\$ 59,055</u>	<u>\$ 41,214</u>
Liabilities and Net Position		
Current liabilities	\$ 127,559	\$ 130,483
Noncurrent liabilities	<u>208,027</u>	<u>261,925</u>
Total liabilities	<u>\$ 335,586</u>	<u>\$ 392,408</u>
Deferred inflows of resources	<u>\$ 17,044</u>	<u>\$ 16,884</u>
Net Position		
Investment in capital assets, net of related debt	\$ 586,194	\$ 669,231
Unrestricted	<u>627,099</u>	<u>663,485</u>
Total net position	<u>\$ 1,213,293</u>	<u>\$ 1,332,716</u>

The following is a summary of the statement of activities for 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Revenues		
Taxes	\$ 588,997	\$ 580,822
Interest income	649	522
Miscellaneous	<u>69,322</u>	<u>56,402</u>
Total revenues	<u>\$ 658,968</u>	<u>\$ 637,746</u>
Expenses		
Salaries and related costs	\$ 257,742	\$ 278,438
General administrative	21,926	19,481
Depreciation	194,200	201,685
Other public safety	298,367	217,021
Interest expense	<u>6,156</u>	<u>9,595</u>
Total expenses	<u>\$ 778,391</u>	<u>\$ 726,220</u>
Increase (decrease) in net position	<u>\$ (119,423)</u>	<u>\$ (88,474)</u>
Net position, beginning of year	\$ 1,332,716	\$ 1,502,613
Prior period adjustment	-	<u>(81,423)</u>
Net position, beginning of year (as restated)	<u>\$ 1,332,716</u>	<u>\$ 1,421,190</u>
Net position, end of year (as restated)	<u>\$ 1,213,293</u>	<u>\$ 1,332,716</u>

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

The following are graphical representations of information presented in the statement of activities for governmental activities in 2019:



GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget was amended once during the last year.

The actual general fund expenditures were \$3,679 more than budgeted amounts.

Revenues available for expenditure were \$63 more than budgeted amounts.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

CAPITAL ASSETS

At the end of the year, the District had capital assets of \$4,032,395, including land, buildings, furniture, fire-fighting equipment, and vehicles. Accumulated depreciation was \$3,363,908 at year-end. More detailed information about the District's capital assets is presented in Note 4 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Taking all factors into consideration, the District's general fund balance is expected to remain unchanged by the close of 2019.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Nolen Cothren, Fire Chief, Post Office Box 1150, Vidalia, Louisiana 71373, (318) 336-4658.

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

ASSETS

Current assets	
Cash and cash equivalents	\$ 247,258
Prepays	44,050
Accounts receivable	<u>547,073</u>
Total assets	<u>\$ 838,381</u>
Capital assets	
Capital assets, net of accumulated depreciation	\$ 668,487
Total capital assets	<u>\$ 668,487</u>
Total assets	<u>\$ 1,506,868</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources	<u>\$ 59,055</u>
--------------------------------	------------------

LIABILITIES

Current liabilities	
Accounts payable and accrued expenses	\$ 45,266
Notes payable, current portion	<u>82,293</u>
Total current liabilities	<u>\$ 127,559</u>
Long-term liabilities	
Net pension liability	\$ 208,027
Total long-term liabilities	<u>\$ 208,027</u>
Total liabilities	<u>\$ 335,586</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources	<u>\$ 17,044</u>
-------------------------------	------------------

NET POSITION

Invested in capital assets, net of related debt	\$ 586,194
Unrestricted	<u>627,099</u>
Total net position	<u>\$ 1,213,293</u>

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

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

GENERAL REVENUES

Taxes - ad valorem	\$ 588,997
Interest income	649
Miscellaneous revenues	<u>69,322</u>
Total general revenues	<u>\$ 658,968</u>

GENERAL EXPENSES

Governmental activities	
General government	\$ 21,926
Public safety	750,309
Interest expense	<u>6,156</u>
Total general expenses	<u>\$ 778,391</u>

Change in net position	<u>\$ (119,423)</u>
Net position, beginning of year	<u>\$ 1,332,716</u>
Net position, end of year	<u><u>\$ 1,213,293</u></u>

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

SECTION III
FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019

ASSETS

Current assets	
Cash and cash equivalents	\$ 247,258
Prepays	44,050
Receivables, net	<u>547,073</u>
Total current assets	<u>\$ 838,381</u>

LIABILITIES AND FUND BALANCES

Current liabilities	
Accounts payable	<u>\$ 45,266</u>
Fund balance	
Unassigned	<u>\$ 793,115</u>
Total fund balance	<u>\$ 793,115</u>
Total liabilities and fund balance	<u>\$ 838,381</u>

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

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total Fund Balance - Governmental Fund (Statement C)	\$	793,115
<p>Amounts reported for governmental activities in the statement of net position (government-wide financial statements) are different because:</p>		
<p>Capital assets used by governmental activities are not financial resources and, therefore, are not reported in governmental funds.</p>		
Capital assets	\$ 4,032,395	
Less accumulated depreciation	<u>(3,363,908)</u>	668,487
<p>Deferred outflows and inflows are not financial resources or currently payable.</p>		
Deferred outflows	\$ 59,055	
Deferred inflows	<u>(17,044)</u>	42,011
<p>Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds:</p>		
Net pension liability	\$ (208,027)	
Note payable	<u>(82,293)</u>	<u>(290,320)</u>
Total Net Position of Governmental Activities (Statement A)	\$	<u>1,213,293</u>

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

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019

GENERAL REVENUES

Taxes – ad valorem	\$ 588,997
Interest income	649
Other revenues	<u>69,322</u>
Total revenues	<u>\$ 658,968</u>

GENERAL EXPENSES

Governmental activities	
General government	\$ 21,926
Public safety – fire	545,395
Capital outlay	31,890
Debt service	
Principal	79,273
Interest	<u>6,156</u>
Total expenditures	<u>\$ 684,640</u>

Net change in fund balance	<u>\$ (25,672)</u>
Fund balance, beginning of year	<u>\$ 818,787</u>
Fund balance, end of year	<u><u>\$ 793,115</u></u>

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

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

Net Changes in Fund Balance - Governmental Fund (Statement E) \$ (25,672)
 Amounts reported for governmental activities in the statement of activities (government-wide financial statements) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount by which depreciation expense exceeds capital outlays expense in the period:

Depreciation expense	\$ (194,200)	
Capital outlay	<u>31,890</u>	(162,310)

Net pension expense is reported in governmental funds as expenditures as they are paid. However, in the statement of activities, the net pension expense is reported according to estimates required by GASB 68.

Pension expenses paid	\$ 29,747	
Pension expenses per GASB 68	<u>(40,461)</u>	(10,714)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Proceeds from loans are a revenue in the governmental funds, but increase long-term debt in the statement of net position.

Repayment of loans		<u>79,273</u>
--------------------	--	---------------

Change in net position per statement of activities (Statement B)		<u>\$ (119,423)</u>
--	--	---------------------

NOTES TO FINANCIAL STATEMENTS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

INTRODUCTION

1. Concordia Fire Protection District No. 2 was created October 9, 1989, by the Concordia Parish Police Jury by ordinance. The District operates in compliance with Part II, Title 40:1492-1502 of the Louisiana Revised Statutes.
2. The purpose of the District is to provide fire protection.
3. The District's boundaries are all of Concordia Parish except inside of the corporate limits of any municipality in Concordia Parish and inside of Monterey Fire Protection District No. 1. Concordia Parish is located in East Central Louisiana.
4. A Board of Supervisors appointed by the Concordia Parish Police Jury governs the District. The Board members are paid \$50 per meeting.
5. The District has one full-time employee and eleven part-time employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of Concordia Fire Protection District No. 2 have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

B. Reporting Entity

The District does not possess all the corporate powers necessary to make it a legally separate entity from the Concordia Parish Police Jury, which holds the District's corporate powers. For this reason, the District is a component unit of the Concordia 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 the Police Jury, the general government services provided by the governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

Governmental funds account for all of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The following is a description of the District's fund:

General Fund - the primary operating fund of the District and it accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

D. Measurement Focus/Basis of Accounting

Fund Financial Statements

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

The amounts reflected in the governmental funds of Statements E and F use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). *Measurable* means the amount of the transaction can be determined, and *available* means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Government-Wide Financial Statements

The page labeled Statement of Net Position (Statement A) and the page labeled Statement of Activities (Statement B) display information about the District as a whole. These statements include all of the financial activities of the District. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

E. Deposits and Investments

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

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Receivables and Payables

All trade and property tax receivables are shown net of allowance for uncollectibles.

Property taxes are levied on a calendar-year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes for 2019:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Fire protection maintenance	6.77 mills	6.91 mills

G. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	40 years
Furniture and fixtures	5 years
Vehicles	5 years
Equipment	10-15 years

H. Compensated Absences

The District has the following policy relating to vacation and sick leave:

Vacation: After one year, employee receives 18 calendar days vacation. After 10 years, employee receives one extra day vacation for each year of service over 10 years, up to a maximum of 30 days.

Sick leave: Employee is required to have a doctor's excuse for absences in excess of three days.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Fund Equity

Beginning with fiscal year 2013, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- 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;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government 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;
- Unassigned fund balance – amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The District establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the District through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the District strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

Government-Wide Financial Statements

The page labeled Statement of Net Position (Statement A) and the page labeled Statement of Activities (Statement B) display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Fund Equity (continued)

Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

Program Revenues – Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the District's general revenues.

J. 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 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.

K. Budget Practices

A proposed operating budget for the general fund, prepared on the modified accrual basis of accounting, is approved by the District and adopted in accordance with the Local Government Budget Law. The proposed operating budget is legally adopted and amended, as necessary, by the District. All appropriations lapse at year-end.

Formal budget integration is employed as a management control device. Budget amounts included in the accompanying financial statements include the original budget amounts and all subsequent amendments, if any.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2019, the District had cash and cash equivalents (book balances) totaling \$247,258. The cash was held in interest-bearing demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The market value of the pledged securities, plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 - CASH AND CASH EQUIVALENTS (continued)

At December 31, 2019, the District had \$252,335 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$545,595 in pledge securities.

NOTE 3 - RECEIVABLES

The receivables of \$547,073 at December 31, 2019, are as follows:

Ad valorem taxes	\$ 547,073
Less allowance for doubtful accounts	<u>-</u>
Total receivables	<u>\$ 547,073</u>

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activities as of and for the year ended December 31, 2019, are as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated				
Buildings	\$ 516,535	\$ -	\$ -	\$ 516,535
Equipment	<u>3,483,970</u>	<u>31,890</u>	<u>-</u>	<u>3,515,860</u>
Total capital assets being depreciated	<u>\$ 4,000,505</u>	<u>\$ 31,890</u>	<u>\$ -</u>	<u>\$ 4,032,395</u>
Less accumulated depreciation for:				
Buildings	\$ (339,534)	\$ (13,053)	\$ -	\$ (352,587)
Equipment	<u>(2,830,174)</u>	<u>(181,147)</u>	<u>-</u>	<u>(3,011,321)</u>
Total accumulated depreciation	<u>\$ (3,169,708)</u>	<u>\$ (194,200)</u>	<u>\$ -</u>	<u>\$ (3,363,908)</u>
Total capital assets being depreciated, net	<u>\$ 830,797</u>	<u>\$ (162,310)</u>	<u>\$ -</u>	<u>\$ 668,487</u>

Depreciation expense of \$194,200 for the year ended December 31, 2019, was charged to the public safety functions.

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable at December 31, 2019, are as follows:

Accounts	\$ 44,050
Payroll taxes and retirement	<u>1,216</u>
Total	<u>\$ 45,266</u>

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 - GENERAL DEBT

The following is a summary of the debt transactions for the year ended December 31, 2019:

Payable at January 1, 2019	\$ 161,566
Principal paid	<u>(79,273)</u>
Payable at December 31, 2019	<u>\$ 82,293</u>

Long-term debt as of December 31, 2019, was comprised of the following:

Capital lease due to Government Capital Corporation, issued July 15, 2015, in the amount of \$382,820 at an interest rate of 3.81%, due in five annual installments of \$85,429, including interest and principal. Secured by a rescue truck and pledge of revenue.	<u>\$ 82,293</u>
---	------------------

The annual requirements to amortize note payable as of December 31, 2019, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2020	<u>\$ 82,293</u>	<u>\$ 3,135</u>	<u>\$ 85,428</u>
Totals	<u>\$ 82,293</u>	<u>\$ 3,135</u>	<u>\$ 85,428</u>

NOTE 7 - PENSION PLAN DESCRIPTION AND BENEFITS

Plan Description: The District contributes to the Firefighters' Retirement System. The Plan is a cost-sharing, multiple-employer, defined-benefit pension plan. The Plan is administered by a board of trustees. The Plan provides retirement benefits, disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. Louisiana Revised Statutes 11:2551 et seq. grants the board of trustees the authority to establish and amend benefit provisions of the Plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the District reported a liability of \$208,027 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating cities, actuarially determined. At June 30, 2019, the District's proportion was .03322%.

For the year ended December 31, 2019, the District recognized pension expense of \$42,255 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$1,794. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 15,006
Changes of assumptions	18,925	15
Net difference between projected and actual earnings on pension plan investments	13,989	-
Changes in proportion and differences between District contributions and proportionate share of contributions	14,849	2,023
District contributions subsequent to the measurement date	<u>11,292</u>	<u>-</u>
Total	<u>\$ 59,055</u>	<u>\$ 17,044</u>

\$11,292 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 9,440
2021	1,114
2022	8,114
2023	7,289
2024	2,511
2025	<u>2,251</u>
	<u>\$ 30,719</u>

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal Cost
Estimated remaining service life	7 years, closed period
Investment rate of return	7.15% per annum (net of investment expenses, including inflation)
Inflation rate	2.500% per annum
Salary increase	Vary from 14.75% in the first two years of service to 4.50% after 25 years
Cost-of-living adjustments	Only those previously granted

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The resulting long-term expected arithmetic nominal rate of return was 7.94% as of June 30, 2019. Best estimates of arithmetic real rates of return for each major class includes in the System's target asset allocation as of June 30, 2019, are summarized in the following table:

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	31.00%	2.17%
U.S. equity	21.50%	5.98%
Non-U.S. equity	17.50%	7.52%
Global equity	10%	6.59%
Real estate	6%	4.14%
Private equity	4%	10.52%
Global tactical asset allocation	5%	4.37%
Risk parity	5%	4.67%
Totals	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rates and that contributions from participating employers and non-employer entities will be made at the actuarially determined rates approved by the Board of Trustees and PRSAC, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.15%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate.

	Changes in Discount Rate 2019		
	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability	\$ 301,237	\$ 208,027	\$ 129,793

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The retirement system issues publicly available financial reports that include financial statements and required supplementary information for the Plan. The financial reports may be obtained from:

Firefighters' Retirement System
Post Office Box 94095, Capital Station
Baton Rouge, Louisiana 70804-9095

Funding Policy. Plan members are required to contribute 10% of their annual covered salary, and the District is required to contribute at an actuarially determined rate. The District's rate is 26.50% of annual covered payroll as of December 31, 2019. The District's contribution to the Plan for the years ending December 31, 2019 and 2018, was \$22,584 and \$27,508, respectively.

NOTE 8 - RISK MANAGEMENT

The District is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

SECTION IV
REQUIRED SUPPLEMENTARY INFORMATION

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (CASH BASIS) - GENERAL FUND
YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		Actual	Variance
	<u>Original</u>	<u>Final</u>	Amounts Budget Basis	Favorable (Unfavorable)
<u>REVENUES:</u>				
Taxes - ad valorem	\$ 475,000	\$ 552,947	\$ 552,947	\$ -
Interest income	6,000	649	649	-
Other revenues	<u>22,600</u>	<u>69,259</u>	<u>69,322</u>	<u>63</u>
Total revenues	<u>\$ 503,600</u>	<u>\$ 622,855</u>	<u>\$ 622,918</u>	<u>\$ 63</u>
<u>EXPENDITURES:</u>				
Governmental expenses				
General government	\$ 37,050	\$ 21,926	\$ 21,926	\$ -
Public safety - fire	622,782	550,792	554,471	(3,679)
Capital outlay	44,981	31,890	31,890	-
Debt service				
Principal	150,249	79,273	79,273	-
Interest	<u>10,000</u>	<u>6,156</u>	<u>6,156</u>	<u>-</u>
Total expenditures	<u>\$ 865,062</u>	<u>\$ 690,037</u>	<u>\$ 693,716</u>	<u>\$ (3,679)</u>
Excess of revenues over (under) expenditures	<u>\$ (361,462)</u>	<u>\$ (67,182)</u>	<u>\$ (70,798)</u>	<u>\$ (3,616)</u>
Fund balance, beginning of year	<u>\$ 318,056</u>	<u>\$ 318,056</u>	<u>\$ 318,056</u>	<u>\$ -</u>
Fund balance, end of year	<u>\$ 43,406</u>	<u>\$ 250,874</u>	<u>\$ 247,258</u>	<u>\$ (3,616)</u>

See Independent Auditor's Report.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED DECEMBER 31, 2019

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the actual data on the cash basis, and variances between the final budget and the actual data.

2. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund.

	General Fund
Net change in fund balance - budget basis	\$ (70,798)
Increase	
Net adjustments for revenue accruals	36,050
Net adjustments for expenditure accruals	9,076
Net change in fund balance - GAAP basis	\$ (25,672)

**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA**

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FIREFIGHTERS' RETIREMENT SYSTEM

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	.033221%	.031229%	.030992%	.029641%	.029311%
District's proportionate share of the net pension liability (asset)	\$ 208,027	\$ 179,632	\$ 177,641	\$ 193,879	\$ 158,195
District's covered-employee payroll	\$ 85,222	\$ 75,363	\$ 67,342	\$ 71,380	\$ 62,289
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	244.10%	238.36%	263.79%	271.62%	253.97%
Plan fiduciary net position as a percentage of the total pension liability	73.96%	74.76%	73.55%	78.16%	72.45%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA**

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

FIREFIGHTERS' RETIREMENT SYSTEM

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 22,584	\$ 19,971	\$ 18,977	\$ 18,737	\$ 17,597
Contributions in relation to the contractually required contribution	<u>(22,584)</u>	<u>(19,971)</u>	<u>(18,977)</u>	<u>(18,737)</u>	<u>(17,597)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 85,222	\$ 75,363	\$ 67,342	\$ 71,380	\$ 62,289
Contributions as a percentage of covered-employee payroll	26.50%	26.50%	28.14%	26.25%	28.25%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

SECTION V
OTHER SUPPLEMENTARY INFORMATION

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2019

Agency Head Name: Judy Pugh, Chairman
Per diem \$ 600

See Independent Auditor's Report.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2019

Dempsey Hillen	\$	600
Dorothy Dew		600
Harvey Cowan		600
Judy Pugh		600
Virgil Barnes		600
		<u>600</u>
	\$	<u>3,000</u>

See Independent Auditor's Report.

SECTION VI
REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS



209 N. Commerce St.
Natchez, MS 39120
P. O. Box 1027
Natchez, MS 39121
Tel: 601-442-7411
Fax: 601-442-8551

2120 Forsythe Ave.
Monroe, LA 71201
P. O. Box 4550
Monroe, LA 71211
Tel: 318-323-4481
Fax: 318-323-2188

www.silassimmons.com

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

Members of the Board of Supervisors
Concordia Fire Protection District No. 2
Vidalia, 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, the major fund, and the aggregate remaining fund information of Concordia Fire Protection District No. 2, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Concordia Fire Protection District No. 2's basic financial statements and have issued our report thereon dated April 2, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Concordia Fire Protection District No. 2'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Concordia Fire Protection District No. 2's internal control. Accordingly, we do not express an opinion on the effectiveness of Concordia Fire Protection District No. 2's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified a deficiency in internal control that we consider to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. The finding reference is 2019-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Concordia Fire Protection District No. 2's financial statements are free from 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 did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Concordia Fire Protection District No. 2's Response to Findings

Concordia Fire Protection District No. 2's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Concordia Fire Protection District No. 2'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.



Natchez, Mississippi
April 2, 2020

SECTION VII
SCHEDULE OF FINDINGS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section 1: Summary of Auditor's Report

- | | |
|--|-------------|
| 1. Type of auditor's report issued on the primary government financial statements: | |
| Governmental activities | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | Yes |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | No |
| 3. Noncompliance material to the primary government financial statements? | No |

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

Reference No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Section I – Internal Control and Compliance Not Material to the Financial Statements:				
2017-1	2005	We noted the District does not have adequate segregation of duties in its operations. One individual is responsible for practically every accounting function including record-keeping, check-writing, making deposits, check-signing, and reconciling bank accounts.	No	This finding continues in the current year as 2019-1.

Section II – Internal Control and Compliance Material to the Federal Awards:

None

Section III – Management Letter:

None

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA
 STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS,
 AND CORRECTIVE ACTION PLAN
 FOR THE YEAR ENDED DECEMBER 31, 2019

Ref. No.	Description of Finding
Section I – Internal Control and Compliance Material to the Financial Statements:	
2019-1	Segregation of Duties (Internal Control)
Condition:	Due to the small size of the District and the lack of segregation of duties from employees, many important elements of good internal controls cannot be implemented to ensure adequate protection of the District’s assets.
Criteria:	Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check-writing.
Cause of Condition:	The small size of the entity and lack of employees.
Effect of Condition:	Material weakness in internal controls.
Recommendation:	We recommend that management continue to provide the necessary oversight in its internal control procedures, specifically in the areas of cash receipts, recording of transactions, deposits, and review of checks written.
Corrective Action and Client Response:	Management indicates that it is not feasible or cost efficient to provide the internal control that a larger organization could provide. Management will continue to provide the necessary oversight in its current internal control procedures in order to safeguard assets.

Section II – Internal Control and Compliance Material to Federal Awards:

None

Section III – Management Letter

None

**SECTION VIII
AGREED-UPON PROCEDURES**



209 N. Commerce St.
Natchez, MS 39120
P. O. Box 1027
Natchez, MS 39121
Tel: 601-442-7411
Fax: 601-442-8551

2120 Forsythe Ave.
Monroe, LA 71201
P. O. Box 4550
Monroe, LA 71211
Tel: 318-323-4481
Fax: 318-323-2188

www.silassimmons.com

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

To Concordia Fire Protection District No. 2
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in the accompanying pages, which were agreed to by Concordia Fire Protection District No. 2 (the District) and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2019. The District's management is responsible for those control and compliance 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 included in the attachment following this report.

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 control and compliance 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 control and compliance 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.

Silas Simmons, LLP

Natchez, Mississippi
April 2, 2020

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 SUPPLEMENTAL SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2019

Written Policies and Procedures

1. Procedures: Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the public bid law, and (5) documentation required to be maintained for all bids and price quotes.
 - c) *Disbursements*, including processing, reviewing, and approving.
 - d) *Receipts*, including receiving, recording, and preparing deposits.
 - e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
 - h) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) *Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Findings: We reviewed the written policies and procedures for the related functions listed above in the procedures.

Through our review, we were able to determine that the District did not have written policies and procedures for receipts and collections. The policies for ethics and payroll/personnel needs to be updated to agree with the Statewide Agreed-Upon Procedures guideline. Management is working to put the policies into writing and update them.

Board

2. Procedures: 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) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - c) Report whether the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate any negative unrestricted fund balance in the general fund.

Findings: We obtained a copy of the District's minutes for the fiscal period. We reviewed the minutes to determine whether the managing board met on a frequency in accordance with the board's enabling legislation, charter, or equivalent document. We reviewed the minutes to determine whether they referenced or included budget-to-actual comparisons. We obtained the prior year audit report and did not observe a negative ending unrestricted fund balance.

No exceptions were noted during the above procedures.

Bank Reconciliations

3. Procedures: Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Procedures: Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Collections

5. Procedures: 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 five deposit sites (or all deposit sites if less than five).

6. Procedures: 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., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is not responsible for collecting cash, unless another employee verifies the reconciliation.
7. Procedures: Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
8. Procedures: Randomly select two deposit dates for each of the five bank accounts selected for Procedure 3 under "Bank Reconciliations" (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

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

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

Findings: We noted that there was only one location that processes payments.

No exceptions were noted during the above procedures.

10. Procedures: For each location selected under Procedure 9, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Findings: We obtained and reviewed written policies and procedures relating to employee job duties over disbursements.

During our review, we noted that the employee responsible for processing payments has access to add or modify vendor files. During our review, we noted that the secretary/treasurer has signatory authority and can record transactions.

11. Procedures: For each location selected under Procedure 9, 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 five disbursements for each location, obtain supporting documentation for each transaction, and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under Procedure 10, as applicable.

Findings: We obtained the entity's non-payroll disbursement transaction population and obtained management's representation that the population is complete. We selected a sample of disbursements and obtained supporting documentation for the selected transactions.

During our review of disbursements, we noted that none of the selected transactions included evidence of segregation of duties.

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

12. Procedures: Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-Cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Procedures: Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Report whether finance charges and/or late fees were assessed on the selected statements.
14. Procedures: Using the monthly statements or combined statements selected under Procedure 15, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
 - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
 - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Travel and Travel-Related Expense Reimbursements

15. Procedures: Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- a) If reimbursed using per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (Procedure 1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: We obtained a listing of all travel and related expense reimbursements from management. We selected five transactions for testing. We obtained supporting documentation for the selected transactions and performed the testing listed above.

During our review of travel and travel-related expense reimbursements, we noted that one of the five transactions tested were not supported by an original itemized receipt. We also noted that two of the five items tested were not reviewed or approved by someone other than the person receiving the reimbursement.

Contracts

16. Procedures: Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
17. Using the listing from Procedure 16, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
 - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisements, selected lowest bidder).
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Payroll and Personnel

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

19. Procedures: Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
20. Procedures: Obtain from management a listing of those employees/officials that terminated during the fiscal period and management's representation that the listing is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
21. Procedures: Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Ethics

22. Procedures: Using the selected employees/officials from Procedure 22 under "Payroll and Personnel," obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
23. Procedures: Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Other

24. Procedures: Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
25. Procedures: Observe and report whether the entity has posted on its premises and website the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
SCHEDULE OF EXCEPTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Reference No.</u>	<u>Description of Exception</u>
<u>Written Policies and Procedures:</u>	
Procedure 1	The entity did not have written policies for receipts/collections. The policy for payroll/personnel needs to be updated to agree with the Statewide Agreed-Upon Procedures guidelines. Management is working to put the policies into writing and update them.
<u>Disbursements:</u>	
Procedure 10c	The Fire Chief approves the vendor, and the dispatcher/clerk prepares a purchase order with the new vendor. Then, the new vendor is added by the secretary/treasurer, who can also process payments.
Procedure 10d	The secretary/treasurer has signatory authority and can record transactions. There is no written policy.
Procedure 11	None of the items selected for testing included evidence of segregation of duties.
<u>Travel and Expense Reimbursement:</u>	
Procedure 15b	One of the five transactions tested was not supported by an original itemized receipt.
Procedure 15d	Two of the five transactions was not reviewed or approved by someone other than the person receiving the reimbursement.
<u>Management Response</u>	
Management plans to address the above findings during fiscal year 2020.	