

**FIRE PROTECTION DISTRICT NO. 11
OF THE PARISH OF ST. MARY**

Jeanerette, Louisiana

Financial Report

Year Ended September 30, 2019

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Commissioners
Fire Protection District No. 11 of the Parish of St. Mary
Jeanerette, Louisiana

Report on the Financial Statements

We have reviewed the accompanying financial statements of the governmental activities and the major fund of Fire Protection District No. 11 of the Parish of St. Mary (hereinafter "District"), a component unit of the Parish of St. Mary, as of and for the year ended September 30, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Accountant's Responsibility

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

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in 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 budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The budgetary comparison schedule on pages 24 and 25 is the responsibility of management. The schedule was not audited, reviewed or compiled by us, and we do not express an opinion, a conclusion, nor provide any assurance on it.

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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 3, 2020

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Statement of Net Position
September 30, 2019

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 24,948
Investments	279,554
Prepaid insurance	18,421
Other	2,141
Total current assets	325,064
 Noncurrent assets	
Capital assets:	
Land and construction in progress	31,737
Other, net of accumulated depreciation	395,712
Net capital assets	427,449
Total assets	752,513
LIABILITIES	
Current liabilities	
Current portion of long-term debt	54,000
Accrued expenses	12,637
Total current liabilities	66,637
Long-term debt, net of current portion	-
Total liabilities	66,637
NET POSITION	
Net investment in capital assets	373,449
Unrestricted	312,427
Total net position	\$ 685,876

See accompanying notes and independent accountant's review report.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Statement of Activities
Year Ended September 30, 2019

Function/Program	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Capital Grants	
Governmental activities:				
Public safety	\$ 442,522	\$ -	\$ -	\$ (442,522)
Interest on long-term debt	<u>1,669</u>	<u>-</u>	<u>-</u>	<u>(1,669)</u>
Total governmental activities	<u>\$ 444,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(444,191)</u>
General revenues:				
Ad valorem taxes				292,125
Intergovernmental				28,552
Miscellaneous				<u>7,524</u>
Total general revenues				<u>328,201</u>
Change in net position				(115,990)
Net position, as restated - October 1, 2018				<u>801,866</u>
Net position - September 30, 2019				<u>\$ 685,876</u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Balance Sheet
Governmental Fund
September 30, 2019

	General
ASSETS	
Cash and cash equivalents	\$ 24,948
Investments	279,554
Prepaid insurance	18,421
Other	2,141
Total assets	\$ 325,064
LIABILITIES AND FUND BALANCE	
Liabilities	
Accrued expenses	\$ 12,179
Fund balance	
Nonspendable	18,421
Unassigned	294,464
Total fund balance	312,885
Total liabilities and fund balance	\$ 325,064

(continued)

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Balance Sheet (continued)
Governmental Fund
September 30, 2019

Reconciliation of the governmental fund's balance sheet to the statement of net position

Total fund balance for governmental fund at September 30, 2019	\$ 312,885
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets, net of accumulated depreciation	427,449
Bonds payable	(54,000)
Accrued interest payable	<u>(458)</u>
Net position at September 30, 2019	<u>\$ 685,876</u>

See accompanying notes and independent accountant's review report.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended September 30, 2019

	General
Revenues	
Ad valorem taxes	\$ 292,125
Intergovernmental -	
Allocation from St. Mary Parish	28,552
Federal grants	-
Other income	10
Investment earnings	7,514
Total revenues	328,201
Expenditures	
Current - Public safety	
Repairs and maintenance	71,266
Professional fees	22,555
Salaries and related expenses	138,011
Insurance	36,600
Utilities and telephone	16,428
Gas, fuel and oil	15,787
Supplies	8,849
Training	4,116
Other	24,584
Capital outlay	23,700
Debt service	54,669
Total expenditures	416,565
Net change in fund balance	(88,364)
Fund balance, beginning	401,249
Fund balance, ending	\$ 312,885

(continued)

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)
Governmental Fund
Year Ended September 30, 2019

Reconciliation of the statement of revenues, expenditures and changes in fund balance
of governmental funds to the statement of activities

Net change in fund balance for the year ended September 30, 2019 per the statement of revenues, expenditures and changes in fund balance	\$ (88,364)
The change in net position reported for governmental activities in the statement of activities is different because:	
Cost of capital assets	23,700
Depreciation expense	(104,326)
Principal paid on bonds	<u>53,000</u>
Total change in net position for the year ended September 30, 2019 per the statement of activities	<u>\$ (115,990)</u>

See accompanying notes and independent accountant's review report.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Notes to Basic Financial Statements

INTRODUCTION

Fire Protection District No. 11 of the Parish of St. Mary (the “District”), was created by Ordinance No. 1096 of the St. Mary Parish Council on April 25, 1990 for the purpose of providing fire protection, medical assistance, and extrication rescue. The District encompasses all territory north of the Intracoastal Waterway in Wards One and Two. The District’s firefighters are volunteers of the St. Mary Parish Fire Protection District No. 11 Volunteer Fire Department.

The accompanying financial statements of the District 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. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513, and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the audit and accounting guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. Mary Parish Council is the financial reporting entity for St. Mary Parish. The financial reporting entity consists of (a) the primary 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, *The Financial Reporting Entity*, as amended, established criteria for determining which component units should be considered part of the St. Mary Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criterion includes:

- Appointing a voting majority of an organization’s governing body, and the ability of the parish council to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council.
- Organization for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.
- 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 St. Mary Parish Council appoints the governing body and has the ability to significantly impose its will, the District is a component unit of the St. Mary Parish Government, the financial reporting entity. The accompanying financial statements present information only on the

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Notes to Basic Financial Statements (continued)

funds maintained by the District and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

The accompanying financial statements of the District 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 Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects 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 the accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities presents a comparison between direct expenses and program revenues for the District's governmental activities. 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 services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

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 relating to certain government functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures or of the individual governmental fund is at least ten (10) percent of the corresponding total for all governmental funds.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Notes to Basic Financial Statements (continued)

The general fund of the District is considered to be a major fund and is described below:

Governmental Fund –

General Fund – This fund is the primary operating fund of the District and it accounts for the operations of the District. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws according to District policy.

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.

Measurement Focus

On the government-wide statement of net position and statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, 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.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental 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 District 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.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Notes to Basic Financial Statements (continued)

D. Assets, Liabilities, and Net Position/Fund Balance

Cash

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits.

Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments

State statutes authorize the District to invest in United States bonds, treasury notes or certificates, and time deposits of State banks organized under Louisiana law and national banks having principal offices in Louisiana. Local governments in Louisiana are also authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments meeting the criteria specified in the Statement are stated at fair value. Investments that do not meet the requirements are stated at cost. These investments include amounts invested in the Louisiana Asset Management Pool (LAMP).

Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond the current period are recorded as prepaid items.

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of the donation. The District maintains a threshold level of \$1,000 or more for capitalizing assets.

Capital assets are recorded in the statement of net position and statement of activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	15-25 years
Fire Trucks	15 years
Equipment	5-10 years

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Notes to Basic Financial Statements (continued)

Equity Classifications

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

- a. 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.
- b. Restricted – 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, provisional or enabling legislation.
- c. Unrestricted – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental equity is classified as fund balance. Fund balance is further classified in accordance with GASB Statement 54 as follows:

- a. Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners. The Board of Commissioners is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Commission members.
- d. Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers the restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the members of the Board of Commissioners have provided otherwise in its commitment or assignment actions.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Notes to Basic Financial Statements (continued)

E. Use of Estimates

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

(2) Cash and Cash Equivalents

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2019, the District had \$24,948 in cash and cash equivalents (book balances) in an interest-bearing demand deposit checking account.

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

Custodial credit 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 the District will not be able to recover collateral securities that are in the possession of an outside party. The District does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. At September 30, 2019, the District has \$24,948 in deposits (collected bank balances). These deposits are entirely secured from risk by federal deposit insurance and are, therefore, not exposed to custodial credit risk.

(3) Investments

Investments held at September 30, 2019 consist of \$279,554 in the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires the disclosure of credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

Credit risk – LAMP is rated AAAM by Standard & Poor's.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
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Notes to Basic Financial Statements (continued)

Custodial credit risk – LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized, because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not with the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk – pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk – 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of GASB Statement No. 40.

Foreign currency risk – not applicable to 2a7-like investment pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Fair Value Measurements

To the extent available, The District's investments are recorded at fair value as of September 30, 2019. GASB Statement No. 72, *Fair Value Measurements and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The District measures and records its investments using fair value guidelines established by GASB 72, which recognizes a three-tiered fair value hierarchy as follows:

- Level 1 – quoted prices for identical investments in active markets
- Level 2 – observable inputs other than quoted market prices
- Level 3 – unobservable inputs

The District's investments in LAMP are measured using observable inputs other than quoted market prices (Level 2 inputs). The investments in LAMP are valued using quoted market prices of the underlying investment of LAMP on a weekly basis and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

(4) Ad Valorem Taxes

The District's ad valorem tax is levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31 and an enforcement lien attaches to the property on January 1. The taxes are collected on behalf of the District by the St. Mary Parish Sheriff and then remitted to the District. Most of the taxes are actually received in January and February.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Notes to Basic Financial Statements (continued)

For the year ended September 30, 2019, taxes of 12.81 mills were levied on property with assessed valuations totaling \$25,110,552.

Total taxes levied were \$321,664. There were no taxes receivable at September 30, 2019.

(5) Capital Assets

Capital assets and depreciation activity for the year ended September 30, 2019 follows:

	Balance 10/1/2018	Additions	Deletions/ Adjustments	Balance 9/30/2019
Capital assets not being depreciated:				
Land	\$ 5,000	\$ 21,737	\$ -	\$ 26,737
Construction in progress	5,537	5,000	(5,537)	5,000
Other capital assets:				
Buildings	142,000	-	-	142,000
Improvements	43,965	-	-	43,965
Fire trucks	1,477,132	-	-	1,477,132
Equipment	<u>722,933</u>	<u>2,500</u>	<u>-</u>	<u>725,433</u>
Total	<u>2,396,567</u>	<u>29,237</u>	<u>(5,537)</u>	<u>2,420,267</u>
Accumulated depreciation				
Buildings	(134,839)	(1,713)	-	(136,552)
Improvements	(18,505)	(3,321)	-	(21,826)
Fire trucks	(1,147,798)	(57,857)	-	(1,205,655)
Equipment	<u>(587,351)</u>	<u>(41,435)</u>	<u>-</u>	<u>(628,784)</u>
Total	<u>(1,888,494)</u>	<u>(104,326)</u>	<u>-</u>	<u>(1,992,818)</u>
Net capital assets	<u>\$ 508,073</u>	<u>\$ (75,089)</u>	<u>\$ (5,537)</u>	<u>\$ 427,449</u>

Depreciation totaling \$104,326 was charged to public safety.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
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Notes to Basic Financial Statements (continued)

(6) Long-Term Debt

The following is a summary of long-term debt transactions of the District for the year ended September 30, 2019:

Bonds payable, September 30, 2018	107,000
Bonds retired	53,000
Bonds payable, September 30, 2019	\$ 54,000

Bonds payable at September 30, 2019 is comprised of the following issue:

\$400,000 Limited Tax Revenue Bonds, Series 2012 dated September 6, 2012, due in annual installments of \$47,000 to \$54,000 through March 1, 2020, interest at 2.12 percent, secured by levy and collection of ad valorem taxes	\$ 54,000
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The future maturities of the bonds payable are as follows:

Year Ending September 30	Principal	Interest	Total
2020	\$ 54,000	\$ 856	\$ 54,856

(7) Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on the fund balance for the District's major governmental fund is presented as follows:

Fund balance	
Nonspendable for -	
Prepaid expenditures	\$ 18,421
Unassigned	294,464
Total fund balance	\$ 312,885

(8) Related Parties

The District is a related party of the St. Mary Parish Council, the primary government. See Note 1 for further explanation of this relationship. During the year ended September 30, 2019, the District received allocations from the Parish totaling \$28,522.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Notes to Basic Financial Statements (continued)

(9) Concentrations

Ad valorem taxes comprise the majority of the District's revenues. Ad valorem taxes collected during the year ended September 30, 2019 accounted for approximately 89% of total revenues.

(10) Risk Management

The District is exposed to various risks of loss related to torts, theft, or damage to assets, errors and omissions, injuries to employees and natural disasters. The District has purchased commercial insurance to protect against loss from substantially all of these perils. There were no significant changes in coverages, retentions, or limits during the year ended September 30, 2019. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

(11) Compensation Paid to Commissioners

The District's commissioners received the following per diem for the year ended September 30, 2019:

<u>Name</u>	<u>Amount</u>
Johnny Sutton	\$ 390
Shirley Purvey	392
Eva Rollins	390
Ronald Chillis	420
Roy Marks	482
	<u>\$ 2,074</u>

Act 706 of the 2014 Legislative Session amended RS 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. With the exception of per diem, no other payments which would require disclosure were made to the District's chief officer. For the year ended September 30, 2019, the District's chief officer, Ronald Chillis, received \$420 in per diem payments.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Notes to Basic Financial Statements (continued)

(12) Prior Period Adjustment

During the year ended September 30, 2019, the District corrected an input error on their depreciation schedule which had previously resulted in an understatement of accumulated depreciation.

Net position on the government-wide financial statements as of the beginning of the fiscal year has been restated as follows:

	<u>Governmental Activities</u>
Net position, beginning, as previously reported:	\$ 857,840
Decrease resulting from miscalculation and recognition of depreciation expense	<u>(55,974)</u>
Net position, beginning, as restated	<u>\$ 801,866</u>

REQUIRED SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended September 30, 2019

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Ad valorem taxes	\$ 264,010	\$ 264,010	\$ 292,125	\$ 28,115
Intergovernmental	29,149	29,149	28,552	(597)
Other income	2,530	2,530	10	(2,520)
Investment earnings	5,400	5,400	7,514	2,114
Total revenues	<u>301,089</u>	<u>301,089</u>	<u>328,201</u>	<u>27,112</u>
Expenditures				
Current - Public safety				
Repairs and maintenance	43,600	43,600	71,266	(27,666)
Professional fees	56,000	56,000	22,555	33,445
Salaries and related expenses	105,730	105,730	138,011	(32,281)
Insurance	-	-	36,600	(36,600)
Utilities and telephone	10,000	10,000	16,428	(6,428)
Gas, fuel, oil	15,000	15,000	15,787	(787)
Supplies	-	-	8,849	(8,849)
Training	3,000	3,000	4,116	(1,116)
Other	10,336	10,336	24,584	(14,248)
Capital outlay	3,000	3,000	23,700	(20,700)
Debt service	54,423	54,423	54,669	(246)
Total expenditures	<u>301,089</u>	<u>301,089</u>	<u>416,565</u>	<u>(115,476)</u>
Net change in fund balance	-	-	(88,364)	(88,364)
Fund balance, beginning	<u>401,249</u>	<u>401,249</u>	<u>401,249</u>	<u>-</u>
Fund balance, ending	<u>\$ 401,249</u>	<u>\$ 401,249</u>	<u>\$ 312,885</u>	<u>\$ (88,364)</u>

See independent accountant's review report on required supplementary information.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Note to Budgetary Comparison Schedule

(1) Budgetary Practices

The District prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as finally amended by the District.

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

1. The Chief prepares a proposed budget and submits it to the Board of Commissioners for approval.
2. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in the expenditures resulting from revenue exceeding amounts estimated require the approval of the Board of Commissioners.
3. All budgetary appropriations lapse at the end of each fiscal year.

(2) Expenditures over Appropriations

Actual expenditures exceeded budgeted appropriations in the General Fund by \$115,476.

REQUIREMENTS OF THE *LOUISIANA GOVERNMENTAL AUDIT GUIDE*

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Members of the Board of Commissioners
Fire Protection District No. 11 of the Parish of St. Mary, and
Louisiana legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Fire Protection District No. 11 of the Parish of St. Mary (hereinafter "District") and the Legislative Auditor (LLA), on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire (Exhibit A) during the year ended September 30, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The management of the District is responsible for its financial records and compliance with applicable laws and regulations.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the provisions of *Government Auditing Standards* applicable to attestation engagements. The sufficiency of these procedures is solely the responsibility of the District and the LLA. 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.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. Evaluate the documentation for these expenditures and report whether the expenditures were made in accordance with RS 38:2211-2296 (the public bid law).

There were no expenditures for materials and supplies made during the year that exceeded \$30,000 and/or \$154,450 for public works which were required to meet the provisions of the public bid law.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of your immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics).

Management provided us with immediate family members for three (3) of the five (5) board members.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the required list.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list of employees provided by management [agreed upon procedure (3)] appeared on the list provided by management in agreed-upon procedures (2).

5. Obtain a list of all disbursements made during the year and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the business interests of board members, employees, or board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and related amendments.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book and report whether there were any exceptions.

Adoption of original budget traced to documentation in the minutes of the meeting of the Board of Commissioners held on September 20, 2018. Adoption of amended budget traced to minutes of meeting held on September 19, 2019.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by five percent (5%) or more or whether actual expenditures exceeded budgeted amounts by five percent (5%) or more.

Actual revenues did not fail to meet budgeted amounts by five percent (5%) or more. Expenditures exceed budgeted amounts by more than five percent (5%).

Accounting and Reporting

9. Obtain a list of all disbursements made during the fiscal year. Randomly select six (6) disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and payee in the supporting documentation.

Each of the six selected disbursements agree to the amount and payee in the supporting documentation.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

The selected disbursements were properly coded to the correct fund and general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

The District's policies and procedures require the approval of all disbursements by the Board of Commissioners. The selected disbursements were approved in accordance with the District's policies and procedures.

Meetings

10. Obtain evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:11 through 42:28 (the open meetings law) and report whether there were any exceptions.

The District provided agendas and minutes to monthly meetings; however, management did not provide documentation evidencing that all meetings were published to the District's official journal. Management did provide evidence that all special meetings and budget meetings were published. No evidence other than management's assertion was available to determine whether the District was in compliance with RS 42:11 through 42:28.

Debt

11. Obtain and scan bank deposit slips for the fiscal year in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain evidence of approval by the State Bond Commission and report any exceptions.

We obtained and inspected copies of all bank deposit slips for the year ended September 30, 2019 and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain a list of payroll disbursements for the fiscal year and meeting minutes of the Board of Commissioners. Scan these documents to identify and report whether there are any payments or approval of payments to employees which would constitute bonuses, advances, or gifts.

We noted no payments or approval of payments indicative of bonuses, advances, or gifts.

State Audit Law

13. Report whether the District provided for a timely report in accordance with R.S. 24:513.

The District provided for a timely report in accordance with R.S. 24:513.

14. Inquire of management and report whether the District entered into any contracts that utilized state funds as defined in R.S. 39:72.1(A)(2), and that were subject to the public bid law (R.S. 38:2211, et seq.), while the District was not in compliance with R.S. 24:513 (the audit law).

The District did not enter into any contracts utilizing state funds as defined in R.S. 39:72.1 A. (2) during the current fiscal year that were subject to public bid law (R.S. 38:2211, et seq.), while not complying with R.S. 24:513 (the audit law).

Prior Comments and Recommendations

15. Obtain and report management’s representation as to whether any prior year suggestions, recommendations, and/or comments have been resolved.

Our prior year report, dated March 21, 2019, did not include any comments or unresolved matters with regard to the foregoing agreed upon procedures.

We were not engaged to perform, and did not conduct, an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District’s compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is to describe the scope of testing performed on the District’s compliance with certain laws and regulations included in the accompanying Louisiana Attestation Questionnaire, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the District’s management and the LLA and should not be used by anyone other than those specified parties.

Accordingly, this report is not suitable for any other purpose and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 3, 2020

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Schedule of Findings
Year Ended September 30, 2019

Findings reported in accordance with *Government Auditing Standards*

A. Internal Control Findings –

2019-001 Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The District’s internal control over financial reporting includes those policies and procedures that pertain to the District’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements.

CAUSE: The cause of the condition is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

YEAR INITIALLY OCCURRING: Unknown.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2019 -002 Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities, in the financial statement preparation process.

CRITERIA: The District’s internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The condition results from a reliance on the external auditor as part of the internal control process.

EFFECT: Financial statements and related notes may reflect a material departure from generally accepted accounting principles.

YEAR INITIALLY OCCURRING: Unknown

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Schedule of Findings (continued)
Year Ended September 30, 2019

B. Compliance Findings –

2019-003 Local Government Budget Act

CONDITION: Expenditure variances in excess of 5% of budgeted amounts were incurred in the General Fund.

CRITERIA: RS 39:1311(A) reads, in part:

The adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures. The chief executive or administrative officer for a political subdivision subject to public participation shall advise the governing authority or independently elected official in writing when:

- (1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
- (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- (3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.”

CAUSE: The condition results from a failure to properly monitor expenditures in the General Fund.

EFFECT: The District may not prevent and/or detect compliance violations due to over expenditure of the appropriated budget and/or errors or irregularities on a timely basis.

YEAR INITIALLY OCCURRING: 2019

RECOMMENDATION: We recommend that the District more closely monitor expenditures and adopt budgetary amendments as necessary to cause compliance with state statute.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Summary Schedule of Prior Findings
Year Ended September 30, 2019

A. Internal Control –

2018-001 Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: The conditions giving rise to the finding still remain. The finding will be reiterated in the current year.

2018-002 Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the application of generally accepted accounting principles in the preparation of financial statements.

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

CURRENT STATUS: The conditions giving rise to the finding still remain. It has been management and the board's position that it is more cost effective to outsource the preparation of its annual financial statements to its independent auditors. Therefore, the finding will again be reported in the current year.

B. Compliance –

No findings were reported under this section.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY
Jeanerette, Louisiana

Management's Corrective Action Plan for Current Findings
Year Ended September 30, 2019

2019-001 Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: The District acknowledges the inadequate segregation of duties condition. However, the District's management is of the opinion that the cost to hire additional personnel to achieve complete segregation of duties would outweigh the benefits achieved by the segregation of accounting and financial functions

2019-002 Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities, in the financial statement preparation process.

MANAGEMENT'S RESPONSE: We concur with the recommendation. The District has determined that it is not economically feasible to incur the costs necessary to employ personnel with the required expertise and/or experience in the preparation of the financial statements and related notes in compliance with generally accepted accounting principles. Therefore, the District has outsourced its financial statement preparation process to its independent accountants and has appointed an individual associated with the District to oversee the procedures.

2019-003 Local Government Budget Act

CONDITION: Expenditure variances in excess of 5% of budgeted amounts were incurred in the General Fund.

MANAGEMENT'S RESPONSE: The District will more closely monitor its budget to actual comparisons and adopt the necessary amendments to cause compliance with state statutes.

LOUISIANA ATTESTATION QUESTIONNAIRE

Exhibit A

**FIRE PROTECTION DISTRICT NO. 11
PARISH OF ST. MARY
Louisiana Attestation Questionnaire
Year Ended September 30, 2019**

Kolder, Slaven & Company, LLC, CPAs
Post Office Box 3438
Morgan City, Louisiana

In connection with your review of our financial statements as of September 30, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of the date noted on the last page of this questionnaire.

Public Bid Law

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

Yes No

Code of Ethics for Public Officials and Public Employees

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

Yes No

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

Yes No

Budgeting

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

Yes No

Accounting and Reporting

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

Yes No

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

Yes No

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

Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

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

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes No

Debt

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

Yes No

Advances and Bonuses

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

Yes No

Prior-Year Comments

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

Yes No

General

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

Yes No

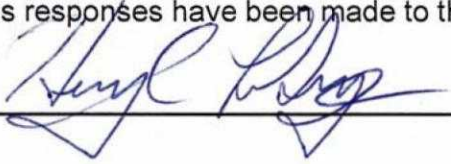
We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No

Louisiana Attestation Questionnaire
Page 3

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

President

 2-6-2020