

**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE**

**VENTRESS, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2019**

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OF THE PARISH OF POINTE COUPEE  
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DECEMBER 31, 2019**

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Fire Protection District No. 3

of the Parish of Pointe Coupee

Ventress, Louisiana

## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana, (the "District"), a component unit of the Pointe Coupee 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 an opinion 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 opinion.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire Protection District No. 3 of the Parish Pointe Coupee, Louisiana 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 on pages 3 through 8 and 26 through 28 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 Information*

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

The schedule of compensation, benefits and other payments to agency head, and statistical information 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, this information is fairly stated in all material respects in relation to the financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2020 on our consideration of Fire Protection District No. 3 of the Parish of Pointe Coupee's internal control over financial reporting and on our tests of its compliance with certain provisions, 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 the District's internal control over financial reporting and compliance.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
May 26, 2020

## MANAGEMENT'S DISUSSION AND ANALYSIS

**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

As management of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana, we are pleased to provide an overview of our financial activities for the year ended December 31, 2019. The intended purpose of the Management's Discussion and Analysis (MD&A) is to provide an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions. The MD&A provides an easily readable summary of operating results and reasons for changes that will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, adherence to budget, service levels, limitations, significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior year data in this analysis, we will be drawing upon information from last year's audited financial report.

**FINANCIAL HIGHLIGHTS**

- The District's net position increased by \$104,074 from \$3,481,112 in 2018 to \$3,585,186 in 2019.
- Ad valorem taxes increased from \$427,423 in 2018 to \$437,603 in 2019.
- Cash and cash equivalents increased by \$355,196 for the year ended December 31, 2019.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other required supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The Government-Wide Financial Statements, presented on pages 10 and 11, 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 and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The District's Government-Wide Financial Statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District's sole operation of fire protection is classified as governmental activities.

**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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund which is categorized as a governmental fund.

Governmental funds, presented on pages 12 through 14, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget. A budgetary comparison schedule has been provided for the District's operations.

**Notes to the Financial Statements**

The notes, presented on pages 15 through 25, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.



**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning the District's budgetary control, on page 27. A tabulation of taxable property is presented on page 30 as supplementary to assist the reader in understanding the economic growth of the District and the effect it has on operations and fire protection ratings.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At the end of the most recent year, the assets of the District exceeded its liabilities by \$3,585,186.

The District's net position is mainly composed of \$1,356,863 investment in capital assets (land, buildings, vehicles and equipment, etc.). The District uses these capital assets to provide fire protection services to residents and businesses that encompass the area from center of False River to the northern boundary line of West Baton Rouge Parish along the southern boundary of Pointe Coupee Parish to a point on the boundary line of Pointe Coupee and West Feliciana Parishes and in the center of the Mississippi River at a point southwest of Fancy Point Towhead. Consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position, \$2,228,323 may be used to meet the District's future operations.

**SUMMARY OF NET POSITION**

	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 2,267,699	\$ 2,096,519
Capital assets	<u>1,779,137</u>	<u>1,412,312</u>
Total assets	<u>4,046,836</u>	<u>3,508,831</u>
Current and other liabilities	117,364	27,719
Noncurrent liabilities	<u>344,286</u>	<u>-</u>
Total liabilities	<u>461,650</u>	<u>27,719</u>
Net position -		
Net invested in capital assets	1,356,863	1,412,312
Restricted	-	-
Unrestricted	<u>2,228,323</u>	<u>2,068,800</u>
Total net position	<u>3,585,186</u>	<u>3,481,112</u>

The District's total revenues increased by \$60,781 from \$628,146 in 2018 to \$688,927 in 2019. Total expenses increased by \$128,964 from \$455,889 in 2018 to \$584,853 in 2019.



**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

<b>Changes in Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Revenues:		
Taxes	\$ 608,012	\$ 599,783
Intergovernmental revenues	27,016	27,276
Interest income and other revenue	53,899	1,087
Total Revenues	688,927	628,146
Expenses:		
Operating	358,386	344,307
Depreciation	226,467	111,582
Total Expenses	584,853	455,889
Change in Net Position	104,074	172,257
Beginning Net Position	3,481,112	3,308,855
Ending Net Position	\$ 3,585,186	\$ 3,481,112

**GOVERNMENTAL FUND FINANCIAL ANALYSIS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

The fund balance of the District increased by \$159,523 during the current year.

**BUDGETARY HIGHLIGHTS**

The District's annual budget is the legally adopted expenditure control document of the District. A budgetary comparison statement is required and can be found on page 27. This statement compares the original adopted budget, the budget if amended throughout the year, and the actual expenditures prepared on a budgetary basis.

**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Actual revenues of \$688,927 exceeded budgeted revenues of \$638,000 by \$50,927, while actual expenditures of \$951,678 exceeded budgeted expenditures of \$542,040 by \$409,638.

**CAPITAL ASSETS**

At December 31, 2019 and 2018, the District has \$1,779,137 and \$1,412,312 respectively, invested in a broad range of capital assets, including land, buildings, vehicles, and equipment. Further detail on capital assets is presented in Note C on page 22.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The District serves a population estimated at over 6,200 and is a rural unincorporated area. The District maintains an IRC rating of 6 and is operated by volunteer firemen and firewomen. The District obtains funding from Ad Valorem and Sales Taxes. They operated the 2019 budget on \$437,603 in Ad Valorem and \$170,409 in sales tax. Due to the large rural area, population, ratings and requirements by the State Fire Marshall, these items made it necessary for management to consider future budget projections. Such long-range projections assist management in evaluating net acquisitions or replacements to keep the fire insurance rating at a level that will return fire protection and an economic benefit to its taxpayers.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. If you have questions about this report or need additional financial information, contact Steve Stelly of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana at (225) 638-6230.

## **BASIC FINANCIAL STATEMENTS**

## EXHIBIT A

FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,839,587
Receivables:	
Ad valorem taxes	377,301
Sales taxes	13,613
State revenue sharing	6,729
Prepaid insurance	29,335
Deposits	1,134
Capital assets (net of accumulated depreciation):	
Land	256,402
Buildings and Improvements	922,627
Vehicles	511,417
Machinery and equipment	88,691
	<u>                    </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,046,836</u></u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 20,733
Amount due retirement system	18,643
Note payable due in one year	77,988
Non Current Liabilities:	
Note Payable	344,286
	<u>                    </u>
<b>TOTAL LIABILITIES</b>	<u>461,650</u>
 <b>NET POSITION</b>	
Invested in capital assets, net	1,356,863
Unrestricted	2,228,323
	<u>                    </u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 3,585,186</u></u>

The accompanying notes are an integral part of this statement.

## EXHIBIT B

FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2019

	Program Revenues				Net Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	584,853	-	-	-	(584,853)
Total Governmental Activities	<u>\$ 584,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(584,853)</u>
General Revenues:					
Taxes:					
Property taxes					437,603
Sales taxes					170,409
General intergovernmental revenues					27,016
Other					<u>53,899</u>
Total General Revenues					<u>688,927</u>
Change in Net Position					104,074
Net Position at the Beginning of Year					<u>3,481,112</u>
Net Position at End of Year					<u>\$ 3,585,186</u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUND - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,839,587	\$ -	\$ 1,839,587
Receivables:			
Ad valorem taxes	377,301	-	377,301
Sales taxes	13,613	-	13,613
State revenue sharing	6,729	-	6,729
Prepaid insurance	29,335	-	29,335
Deposits	1,134	-	1,134
<b>TOTAL ASSETS</b>	<u>\$ 2,267,699</u>	<u>\$ -</u>	<u>\$ 2,267,699</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 20,733	-	\$ 20,733
Amount due to retirement system	18,643	-	18,643
<b>Total Liabilities</b>	39,376	-	39,376
<b>Fund Balance:</b>			
Nonspendable: Prepaid	29,335	-	29,335
Restricted	-	-	-
Unassigned	2,198,988	-	2,198,988
<b>Total Fund Balances</b>	<u>\$ 2,228,323</u>	<u>\$ -</u>	<u>\$ 2,228,323</u>

Amounts reported for governmental activities in the statements of net position are different because:

Capital assets used in government activities are not financial resources, and therefore, are not reported in the funds. 1,779,137

Long-term liabilities of governmental funds, including capital leases and notes payable are not due and payable in the current period and, therefore, are not reported in the funds. (422,274)

**Net position of governmental activities** \$ 3,585,186

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	General	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>			
Taxes			
Ad valorem	\$ 437,603	\$ -	\$ 437,603
Sales taxes	170,409	-	170,409
Intergovernmental revenues			
Fire insurance rebate	20,291	-	20,291
State revenue sharing	6,725	-	6,725
Miscellaneous revenues			
Other income	53,899	-	53,899
<b>TOTAL REVENUES</b>	<b>688,927</b>	<b>-</b>	<b>688,927</b>
<b>EXPENDITURES</b>			
Bank charges	159	-	159
Contract labor	84,204	-	84,204
Dues and subscriptions	5,260	-	5,260
Emergency 911 fee	28,992	-	28,992
Equipment repairs and maintenance	15,829	-	15,829
Firefighting equipment supplies	1,898	-	1,898
Fire prevention hydrants	51,895	-	51,895
Insurance	44,157	-	44,157
Lawn maintenance	5,850	-	5,850
Lease	3,410	-	3,410
Meals	1,595	-	1,595
Miscellaneous	119	-	119
Office	3,592	-	3,592
Postage and printing	1,005	-	1,005
Professional fees	14,050	-	14,050
Station repairs	7,672	-	7,672
Security	1,116	-	1,116
Supplies and small tools	5,436	-	5,436
Tax collector fees	18,643	-	18,643
Telephone	15,702	-	15,702
Training and fire prevention	1,209	-	1,209
Uniforms and protective gear	589	-	589
Utilities	17,460	-	17,460
Vehicle fuel and maintenance	28,487	-	28,487
Capital outlays			
Machinery and equipment	23,422	-	23,422
Vehicle	569,870	-	569,870
Building - construction	-	-	-
Debt service			
Principal retirement	-	-	-
Interest expense	57	-	57
<b>TOTAL EXPENDITURES</b>	<b>951,678</b>	<b>-</b>	<b>951,678</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(262,751)</b>	<b>-</b>	<b>(262,751)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Proceeds	-	422,274	422,274
Operating transfers in	-	-	-
Operating transfers out	422,274	(422,274)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>422,274</b>	<b>-</b>	<b>422,274</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXP. AND OTHER USES</b>	<b>159,523</b>	<b>-</b>	<b>159,523</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>2,068,800</b>	<b>-</b>	<b>2,068,800</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 2,228,323</b>	<b>\$ -</b>	<b>\$ 2,228,323</b>

The accompanying notes are an integral part of this statement.



FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

Amounts reported for governmental activities are different because:

Net change in fund balances - total governmental funds (page 13)	\$	159,523
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$593,292) exceeded depreciation (\$226,467).

366,825

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental resources. Neither transaction, however, has any effect on net position.

Loan proceeds	\$422,274	(422,274)
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Change in net position of governmental activities (page 11)	\$	104,074
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The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Fire Protection District No. 3 of the Parish of Pointe Coupee (the "District") was created by a resolution of the Pointe Coupee Parish Police Jury in 1981 under the Authority of Louisiana Revised Statute 40:1491. The District operates under a commission form of government and provides fire protection services to all the territory situated within the limits of Pointe Coupee Election Districts 4 and 5 and portions of the areas of District 6 and 9. The Election Districts were constituted in 1981, and it was created in accordance with the authority of LRS 40:1494, and Article VI, Section 19 of the Constitution of the State of Louisiana for the year 1974 and other constitutional and statutory authority supplemental thereto and Local Services Agreements entered into by this Police Jury.

**Reporting Entity**

As stated previously, the District was created by a resolution of the Pointe Coupee Parish Police Jury in 1981 and is a political subdivision of the Pointe Coupee Parish Police Jury.

In accordance with LRS 40:1494, the District is managed by a board of five commissioners. Five commissioners are appointed by the Pointe Coupee Parish Police Jury. These five commissioners then appoint one to act as chairperson.

In accordance with the requirements of Statement No. 61, *The Financial Reporting Entity: Omnibus, an Amendment of GASB Statement No. 14 and Statement No. 34*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The financial statements present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

**Fund Accounting**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped in the financial statements in this report as follows:

1. General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The previous reporting model emphasized fund types (the total of all funds of a particular type), and the focus is either the District as a whole or major individual funds (within the fund financial statements) in the reporting model as defined by GASB Statement No. 34.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, (2) grants and contributions that are restricted to meet the operational requirements of a particular function or activity, and (3) grants and contributions that are restricted to meet the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, intergovernmental revenues, interest income, etc.).

Separate fund based financial statements are provided for governmental funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund and debt service fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the combining section of the statements.

**Measurement Focus and Basis of Accounting**

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

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government fund level 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The grant revenue availability period is generally considered to be one year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

Ad valorem tax revenues in the General Fund are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if susceptible to accrual criteria are met.

The following funds are being used by the District in its governmental funds:

Major Fund - General

The *General Fund* accounts for the District's primary public safety service and is the primary operating unit of the District.

Major Debt Service Fund

The *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

GASB No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained, and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Position.

**Assets, Liabilities, Net Position, and Fund Balances**

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include demand deposits and money market accounts. Under state law, the District may deposit funds in demand deposits, money market accounts, or time deposits with a bank organized under Louisiana law, or of any other state of the United States, or under the laws of the United States.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

State statutes authorize the District to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit 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. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

Cash deposits are reported at carrying amount which reasonably estimates fair value.

Receivables

Receivables consist of all revenues earned at year-end and not yet received.

Inventories

Inventories for supplies are not considered material and are recorded as expenses when purchased.

Capital Assets and Depreciation

The District's property and equipment with useful lives of more than one year are capitalized at historical cost or estimated historical cost. The District's policy has set the capitalization threshold for reporting capital assets at \$500. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Uniforms and protective gear which are susceptible to excessive wear and tear and fire code regulations are expensed when incurred.

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

Capital assets are depreciated using the straight-line method over the estimated useful lives, in years, for depreciable assets as follows:

Buildings	39 years
Machinery and equipment	5 years
Vehicle and transportation equipment	5 - 10 years

Bad Debts

Uncollectible account receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2019, there were no amounts considered to be uncollectible.



**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Long-term Liabilities

In the government-wide financial statements, long-term debt is reported as a liability in the applicable governmental activities statement of net position.

In the government funds financial statements, the face amount of debt is reported as other financing sources. Interest and principal payments are reported as debt service expenditures.

Net Position

In the Statement of Net Position, the difference between the District's assets and liabilities is recorded as net position. The three components of net position are as follows:

- Net invested in capital assets – This category consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances on any bond, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – This category consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted net position – This category represents all net position that does not meet the definition of "restricted" or "net invested in capital assets."

Fund Balance

In the fund financial statements, fund balance of the governmental funds is classified as follows:

- 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.
- Restricted – Amounts that can only be spent for specific purposes because of constitutional provisions or enabling legislation or because constraints are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed – Amounts that can be used only for specific purposes determined by a formal action of the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the District.
- Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes.
- Unassigned – All other spendable amounts.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

As of December 31, 2019, fund balances were designated as nonspendable and unassigned.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will *not* be recognized as an outflow of resources (expenses) until that future period(s).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will *not* be recognized as an inflow of resources (revenue) until that future period(s).

**Use of Estimates**

The preparation of 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, disclosure of contingent 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.

**Sales Tax**

Fire Protection District No. 3 of the Parish of Pointe Coupee accounts for the collection of the 2% Policy Jury Sales Tax from the Pointe Coupee Parish Tax Collector. The District receives 0.05% of the 2% Police Jury Sales Tax. For the year ended December 31, 2019, the amount of sales tax received by the District was \$170,409.

**Budgetary Information**

**Policy and Practice**

The Chairman submits an annual budget for the General Fund by Fire Station to the Board in accordance with the Louisiana Local Government Budget Act. The budget is presented to the Board for review, and public hearings are held to address the proposed appropriations. Once approved, and adopted by the Board, the Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

**Basis of Budgeting**

The General Fund's appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source, and expenditures are budgeted by function. Budget revisions at this level are subject to final review by the Board. The legal level of control is by function within the General Fund. Expenditures may not exceed appropriations at this level. Revisions to the budget were made throughout the year.



**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The General Fund budget is prepared on the modified accrual basis. The budget and actual financial statement is reported on this basis. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

Capital Project Fund adopts project length budgets. All unencumbered annual budget amounts lapse at fiscal year-end.

**NOTE B – CASH AND CASH EQUIVALENTS**

At year end, the District's carrying amount of deposits was \$1,839,588 and the bank balance was \$1,867,354. At December 31, 2019, the status of deposited funds and collateralized balances are as follows:

	<u>Bank Balances 12/31/19</u>	<u>FDIC Insurance</u>	<u>Balances Uninsured</u>
Cash	\$ 1,867,354	\$ 250,000	\$ 1,617,354
Uncollateralized--			
Securities pledged and held by custodial banks in the name of fiscal agent banks, at fair market value, at December 31, 2019			<u>8,601,664</u>
Excess of FDIC insurance and pledged securities over cash at December 31, 2019			<u>\$ 6,984,310</u>

Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank.

**NOTE C – CAPITAL ASSETS**

A summary of changes in general fixed assets is as follows:

	<u>Balance 1/1/2019</u>	<u>Additions</u>	<u>Reclassification Deletions</u>	<u>Balance 12/31/2019</u>
Land	\$ 256,402	\$ -	\$ -	\$ 256,402
Buildings and Improvements	1,063,201	-	-	1,063,201
Construction in progress - bldg	-	-	-	-
Vehicles	1,157,891	569,870	-	1,727,761
Machinery and Equipment	332,607	23,422	-	356,029
<b>Total Capital Assets</b>	<u>\$ 2,810,101</u>	<u>\$ 593,292</u>	<u>\$ -</u>	<u>\$ 3,403,393</u>

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE C – CAPITAL ASSETS (CONTINUED)**

	Accumulated Depreciation Balance 1/1/2019	Additions	Deletions	Accumulated Depreciation Balance 12/31/2019	Capital Assets Net of Accumulated Depreciation
Land	\$ -	\$ -	\$ -	\$ -	\$ 256,402
Buildings and Improvements	112,267	28,307	-	140,574	922,627
Construction in progress - bldg	-	-	-	-	-
Vehicles	1,045,100	171,244	-	1,216,344	511,417
Machinery and Equipment	240,422	26,916	-	267,338	88,691
<b>Total Accumulated Depreciation</b>	<b>\$ 1,397,789</b>	<b>\$ 226,467</b>	<b>\$ -</b>	<b>\$ 1,624,256</b>	<b>\$ 1,779,137</b>

Depreciation for the year ended December 31, 2019 was \$226,467.

**NOTE D – LONG-TERM DEBT**

The summary of changes in governmental activities long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2019 is as follows:

	Beginning Balance	Loan Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Capital lease obligations:					
Government Capital Corp 2019	\$ -	\$ 422,274	\$ -	\$ 422,274	\$ 77,988
<b>Total Governmental Activities</b>	<b>\$ -</b>	<b>\$ 422,274</b>	<b>\$ -</b>	<b>\$ 422,274</b>	<b>\$ 77,988</b>

The debt outstanding at December 31, 2019 is as follows:

**Government Capital Corporation**

On February 14, 2019, the District entered into a lease purchase agreement for a new fire truck in the amount of \$422,274 which matures on February 14, 2024. Annual installments of \$94,812 were paid which includes an interest rate of 3.984%.

	<u>\$ 422,274</u>
<b>Total Debt Outstanding at December 31, 2019</b>	<u><b>\$ 422,274</b></u>

<u>Year</u>	<u>Government Capital Corp.</u>
2020	\$94,812
2021	94,812
2022	94,812
2023	94,812
2024	94,812

The above annual debt payments include total interest payments of \$51,784.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE E- AD VALOREM TAXES**

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings are to be assessed at 10% of "use" value; and all other property to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax District. The assessor is required to re-appraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Parish. By agreement, the Sheriff receives a commission of approximately 4.23%.

The millage rates are adopted in late October. The taxes are levied and notices are mailed out in mid-November of the year. All taxes are due by December 31<sup>st</sup> of the year and are delinquent on January 1<sup>st</sup> of the next year, which is also the lien date.

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date of December 31<sup>st</sup>, the taxes bear interest at one and one-fourth percent (1.25%) per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year in which they are levied and become due. The majority of the year's taxes are usually collected in November and December of the year. Any amounts not collected at December 31<sup>st</sup> are shown as accounts receivable.

For the year ended December 31, 2019, taxes of \$436,626 were levied on property with assessed valuations totaling \$73,136,658 at the rate of 5.97 mills for the following purposes: (1) maintaining and operating the District's fire protection facilities, (2) purchasing fire trucks and other firefighting equipment, (3) paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service, and (4) paying the cost of acquiring, improving, or constructing fire protection facilities of the Fire Protection District, constituting works of public improvement, title to which shall be in the public.

**NOTE F – PENSION PLAN AND RETIREMENT COMMITMENTS**

The District has no pension plan or retirement commitments.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE G – RISK RETENTION**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee medical insurance; and natural disasters. The District carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. There were no significant reductions in insurance coverage in 2019 from coverage in the prior year. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

**NOTE H – LITIGATION AND CLAIMS**

There were no judgments, claims, or other similar contingencies pending against the District at December 31, 2019.

**NOTE I – COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Jeff Hanks	\$	-
Frank Bonds		-
Melba Aguiard		-
Steve Stelly		-
Ashley Pourciau		-
	<u>\$</u>	<u>-</u>

**NOTE J – RELATED PARTIES**

The Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana is a component unit of the Pointe Coupee Parish Police Jury, and may enter into transactions with related parties, including parish council members and the parish administrator. From knowledge obtained during the audit, no related party transactions have occurred between parish council members or the parish administrator of Pointe Coupee Parish.

**NOTE K – INTERFUND TRANSFERS**

<u>Governmental Fund Type</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 422,274	\$ -
Debt Service Fund	-	422,274
Total Operating Transfers	<u>\$ 422,274</u>	<u>\$ 422,274</u>

The principle purpose of the above interfund transfers is to supplement revenues for capital purchases and principal and interest payments.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE L – LEASES**

On August 16, 2017, the Fire District leased a copy machine for 36 months. The current year expense was \$3,410.

**NOTE M – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED**

GASB Statement 87, Leases: This standard will require all leases to be reported on the statement of net positions under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases including those previously reported as operating leases. All leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after December 15, 2019. The District will include the requirements of this standard, as applicable, in its December 31, 2020 financial statement. All of the District's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the District is unknown at this time.

**NOTE N – SUBSEQUENT EVENTS**

The Fire District has evaluated subsequent events through the date that the financial statements were available to be issued, May 26, 2020. No events occurring after this date have been evaluated for inclusion in these financial statements.

As a result of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The Fire District is closely monitoring its financial statements for 2020 impacts.

## REQUIRED SUPPLEMENTARY INFORMATION

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Taxes				
Ad valorem	\$ 442,784	\$ 442,784	\$ 437,603	\$ (5,181)
Sales taxes	188,449	188,449	170,409	(18,040)
Intergovernmental revenues				
Fire insurance rebate	-	-	20,291	20,291
State revenue sharing	6,767	6,767	6,725	(42)
Miscellaneous revenues				
Other	-	-	53,899	53,899
<b>TOTAL REVENUES</b>	<u>638,000</u>	<u>638,000</u>	<u>688,927</u>	<u>50,927</u>
<b>EXPENDITURES</b>				
Advertising	500	500	-	500
Bank charges	300	300	159	141
Contract labor	115,000	115,000	84,204	30,796
Dispatcher's Supplemental Pay	7,200	7,200	-	7,200
Dues and subscriptions	2,000	2,000	5,260	(3,260)
Emergency 911 Fee	38,000	38,000	28,992	9,008
Equipment repairs and maintenance	23,000	23,000	15,829	7,171
Firefighting equipment supplies	5,000	5,000	1,898	3,102
Fire prevention hydrants	-	-	51,895	(51,895)
Insurance	58,000	58,000	44,157	13,843
Interest	140	140	57	83
Lawn maintenance	6,000	6,000	5,850	150
Lease	3,000	3,000	3,410	(410)
Meals	2,000	2,000	1,595	405
Miscellaneous	1,500	1,500	119	1,381
Office	3,000	3,000	3,592	(592)
Postage and printing	300	300	1,005	(705)
Professional fees	16,400	16,400	14,050	2,350
Security	1,700	1,700	1,116	584
Station repairs	10,000	10,000	7,672	2,328
Supplies	8,000	8,000	5,436	2,564
Tax collector fees	-	-	18,643	(18,643)
Telephone	14,000	14,000	15,702	(1,702)
Training and fire prevention	12,000	12,000	1,209	10,791
Uniforms and protective gear	5,000	5,000	589	4,411
Utilities	21,000	21,000	17,460	3,540
Vehicle fuel and maintenance	39,000	39,000	28,487	10,513
Capital outlays				
Building	-	-	-	-
Vehicles	100,000	100,000	569,870	(469,870)
Machinery and equipment	50,000	50,000	23,422	26,578
<b>TOTAL EXPENDITURES</b>	<u>542,040</u>	<u>542,040</u>	<u>951,678</u>	<u>(409,638)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	95,960	95,960	(262,751)	(358,711)
<b>OTHER SOURCES AND (USES)</b>				
Operating transfers in	-	-	422,274	422,274
<b>TOTAL OTHER SOURCES AND (USES)</b>	-	-	422,274	422,274
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXP. AND OTHER USES</b>	<u>95,960</u>	<u>95,960</u>	<u>159,523</u>	<u>63,563</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>2,068,800</u>	<u>2,068,800</u>	<u>2,068,800</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 2,164,760</u>	<u>\$ 2,164,760</u>	<u>\$ 2,228,323</u>	<u>\$ 63,563</u>



FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
DEBT SERVICE FUND - STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2019

<b>REVENUES</b>		
Intergovernmental revenue	\$	-
Debt proceeds		-
Interest income		-
<b>TOTAL REVENUES</b>		<u>-</u>
<b>EXPENDITURES</b>		
Principal retirement		-
Interest		-
Miscellaneous		-
<b>TOTAL EXPENDITURES</b>		<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>		<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Loan Proceeds		422,274
Transfers to other funds		(422,274)
Transfers from other funds		-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>		<u>-</u>
<b>FUND BALANCE, BEGINNING</b>		<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$	<u>-</u>

**SUPPLEMENTARY INFORMATION AND  
REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE  
VENTRESS, LOUISIANA  
TAXABLE PROPERTY VALUATIONS  
(UNAUDITED)

<u>Year</u>	<u>Mills Levied</u>	<u>Assessed Value</u>	<u>Homestead Exemption</u>	<u>Tax to be Paid by Owner</u>	<u>Tax to be Paid by State</u>	<u>Total Tax</u>
2010	5.97	54,921,722	10,620,775	327,885	63,410	391,295
2011	5.97	54,902,277	10,606,475	327,769	63,325	391,094
2012	5.97	64,313,283	10,625,120	383,954	63,436	447,390
2013	5.97	70,948,994	10,687,820	423,569	63,811	487,380
2014	5.97	68,744,739	10,679,740	410,410	63,762	474,172
2015	5.97	70,838,014	10,676,070	422,910	63,740	486,647
2016	5.97	73,408,016	11,124,921	438,249	66,420	504,669
2017	5.97	72,002,416	11,219,331	429,855	66,981	496,835
2018	5.97	71,769,636	11,279,409	428,465	67,339	495,804
2019	5.97	73,136,658	11,384,989	436,626	67,970	504,596

**SCHEDULE 2**

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Agency Head: Ashley Bond**

<u>Purpose</u>	<u>Amount</u>
Meals	\$ 245
Conference	-
Training	-
Dues	100
Total	<u>\$ 345</u>

# BAXLEY AND ASSOCIATES, LLC

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**SCHEDULE 3**

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Hugh F. Baxley, CPA/CGMA/CVA – Retired

Board of Commissioners  
Fire Protection District No. 3 of the  
Parish of Pointe Coupee  
Ventress, Louisiana

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

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, each major fund, and the aggregate remaining fund information of Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana (the "District"), a component unit of the Pointe Coupee 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, and have issued our report thereon dated May 26, 2020.

### Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as 2019-1 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclose an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2019-2.

District's Response to Findings

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

Purpose of this Report

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

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
May 26, 2020

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana.
2. Two significant deficiencies relating to the audit of the financial statements is reported in the Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana were found.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2019-1 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH GAAP**

Condition:

The District does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a repeat finding.

Criteria:

Year-end adjusting journal entries were not properly posted to the financial statements to ensure that the statements were prepared in accordance with generally accepted accounting principles.

Effect:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.



**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Prudent management requires that the potential benefit from an internal control must exceed its cost. It, therefore, may not be practical to correct all the deficiencies in auditor reports under SAS 112. In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

Management's Response:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies in auditor reports under SAS 112. In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

**2019-2 BUDGET**

Condition:

The District had items of their budget in which the actual expenditures exceeded seventy-five (75) percent of the budgeted amounts.

Criteria:

Louisiana Revised Statute 39:1310 requires that budgets be adopted for General Funds and their amendments be made and properly adopted when a variance to budget amounts are in excess of five (5) percent. The Board did not properly project expenditures when preparing the amendments to the budget thus causing a budget variance of greater than five (5) percent.

Effect:

The condition has no effect on the financial statements of the District.

Recommendation:

We recommend the Board implement procedures to monitor budget to actual comparisons and amend budgets as necessary to comply with the Louisiana Local Government Budget Act.

Management's Response:

The difference is due to a new tanker truck that was purchased and financed. \$150,000 was paid in cash as a down payment and the remainder was financed.

**FIRE PROTECTION DISTRICT NO. 3 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**2018-1 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH  
GAAP**

Condition:

The District does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Prudent management requires that the potential benefit from an internal control must exceed its cost. It, therefore, may not be practical to correct all the deficiencies in auditor reports under SAS 112. In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

Current Status

In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

**FIRE PROTECTION DISTRICT NO. 3  
OF THE PARISH OF POINTE COUPEE**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

# **BAXLEY AND ASSOCIATES, LLC**

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To the Board of Commissioners  
Fire Protection District No. 3  
of the Parish of Pointe Coupee and  
the Louisiana Legislative Auditors  
Ventress, Louisiana

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

We have performed the procedures enumerated below, which were agreed to by the Fire Protection District No. 3 of the Parish of Pointe Coupee and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Fire Protection District No. 3 of the Parish of Pointe Coupee'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 as follows:

### ***Written Policies and Procedures***

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - 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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- 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) continuing disclosure/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:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category for items a through j since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category for items a through j.*

*The policies and procedures were provided for item k.*

*No exceptions were noted as a result of applying the procedure.*

**Board or Finance Committee**

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.*

### **Bank Reconciliations**

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Findings:*

*We examined one bank account for the month of November 2019. The account was reconciled within two months of the statement closing date. The reconciliation had no evidence of management/board approval. Also, there was one outstanding check greater than 12 months.*

### **Collections**

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

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



- 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 are not responsible for collecting cash, unless another employee verifies the reconciliation.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

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

- a) Observe that receipts are sequentially pre-numbered.
- 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.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*



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

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - 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:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

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

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the

persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*Findings:*

*We obtained a list of active credit cards and fuel cards with management's representation.*

*No exceptions were noted as a result of applying the procedure.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

*Findings:*

*There were no finance charges and/or late fees assessed on the two selected statements.*

*One credit card did not have evidence of management review and approval documented on the statement.*

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

*Findings:*

*We received copies of the original itemized receipts with documentation of the business purpose and documentation of participants to support the charges with meals.*

*No exceptions were noted as a result of applying the procedure.*

**Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://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:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

### **Contracts**

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

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

### **Payroll and Personnel**

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

**Ethics**

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

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



*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

**Debt Service**

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

**Other**

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

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 of 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.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
May 26, 2020

**Fire Protection District No. 3  
of the Parish of Pointe Coupee**

**Management's Response to Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2019**

Management's Response to Items:

3. The Board of Directors now sign off at every Board meeting on the bank statements and bank reconciliations.
12. The fuel bill is gone over once submitted for payment on purchases of fuel credit cards by a Board Member. Moving forward in the future, Board members will approve fuel credit cards at Board meetings.