

FIRE PROTECTION DISTRICT NO. 5 OF THE  
PARISH OF POINTE COUPEE  
NEW ROADS, LOUISIANA

Annual Financial Statements  
Year Ended December 31, 2017

A Component Unit of the  
Pointe Coupee Parish Police Jury

FIRE PROTECTION DISTRICT NO. 5 OF THE  
PARISH OF POINTE COUPEE  
Fire/EMS/Rescue Services  
2384 Morganza Hwy  
New Roads, Louisiana 70760  
(225) 638-7525

GOVERNING BOARD  
(Effective January 1, 2017)

Lawrence Smith, Chairman  
Kim Neal  
Kenneth McDowell  
Joseph R. Gremillion  
Joe Gannon

MEETING DATE

Third Monday of Every Month

**FIRE PROTECTION DISTRICT NO. 5 OF THE PARISH  
OF POINTE COUPEE, LOUISIANA**

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Fire Protection District No. 5 of the  
Parish of Pointe Coupee  
New Roads, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fire Protection District No. 5 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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2017, and the respective changes in financial position thereof 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 the management's discussion and analysis and budgetary comparison information on pages 4 through 10 and 32 through 33 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head, 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 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, Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 26, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Daigrepont + Brian, APAC*

Daigrepont & Brian, APAC  
Baton Rouge, LA

June 26, 2018

### Required Supplementary Information

Management's Discussion and Analysis (MD&A) is a required component of financial statements prepared in accordance with generally accepted accounting principles (GAAP). The MD&A is an analysis of the financial condition and operating results of the District written by management. It introduces the basic financial statements and notes. The MD&A should provide an objective and easily readable analysis of the District's financial activities based on currently known facts, decisions, or conditions.

**FIRE PROTECTION FIRE DISTRICT NO. 5  
OF THE PARISH OF POINTE COUPEE, LOUISIANA**  
New Roads, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Fire Protection Fire District No. 5 of the Parish of Pointe Coupee, Louisiana (the Fire District), we are pleased to provide an overview of our financial activities for the year ended December 31, 2017. Please read it in conjunction with the Fire District's financial statements, which begin on page 11. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

The information contained within this MD&A should be considered only a part of a greater whole, as should all other sections in this financial report. The readers of this statement should take the time to read in conjunction with the financial statements, including the footnotes and the other Required Supplemental Information (RSI) provided as required components of this annual financial report.

**FINANCIAL HIGHLIGHTS**

In 2017, the Fire District experienced a decrease in net position and an increase in fund balance.

The major financial highlights for 2017 are as follows:

- Assets of the Fire District's primary government exceeded its liabilities at the close of the year by approximately \$6.8 million (net position). Of this amount, approximately \$3.1 million (unrestricted net position) may be used without restrictions to meet the Fire District's ongoing obligations to citizens and creditors.
- The primary government's total net position decreased by approximately \$48,700 during 2017.
- As of the end of the year, the primary government's governmental funds reported fund balances of approximately \$3.1 million.
- The General Fund's fund balance increased by approximately \$339,000 during 2017.

Significant aspects of the Fire District's financial well-being as of and for the year ended December 31, 2017 are detailed throughout this analysis.

## USING THIS ANNUAL REPORT

The Fire District's financial statements focus on the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year, and enhance the Fire District's accountability.

This annual report consists of a series of financial statements. The government-wide Statement of Net Position and the Statement of Activities (on pages 11 and 12, respectively) provide information about the activities of the Fire District as a whole and present a longer-term view of the Fire District's finances.

Fund financial statements start on page 13. For governmental activities, these statements illustrate how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Fire District's operations in more detail than the government-wide statements by providing additional information about the Fire District's General Fund.

### Reporting on the Fire District as a Whole

Our analysis of the Fire District as a whole begins on page 11. The Statement of Net Position and the Statement of Activities report information about the Fire District as a whole and about its activities in a way to determine if the Fire District is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the full accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the Fire District's net position and related changes. One can think of the Fire District's net position - the difference between assets and liabilities - as one way to measure the Fire District's financial health or financial position. Over time, increases or decreases in the Fire District's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as changes in the Fire District's property and sales tax base to assess the overall health of the Fire District.

**Governmental activities** - All of the Fire District's services are reported here, which include the public safety services and related administration of the Fire District. Property and sales taxes finance most of these activities.

At December 31, 2017, the Fire District's net position was \$6.8 million for governmental activities, of which \$3.1 million was unrestricted. The Fire District does not have restricted net position, which is reported separately to show legal constraints from debt covenants and enabling legislation that limits the Fire District's ability to use that net position for day-to-day operations.

The analysis below of the primary government focuses on the net position and change in net position of the Fire District's governmental activities and is as follows:

Fire Protection District No. 5  
of the Parish of Pointe Coupee, Louisiana  
Statements of Net Position  
December 31, 2017 and 2016  
(in thousands)

	2017	2016
Current and other assets	\$ 3,125	\$ 2,831
Capital assets	4,160	4,643
Total assets	7,285	7,474
Current and other liabilities	43	89
Long-term liabilities	403	497
Total liabilities	446	586
Net positions:		
Net investment in capital assets	3,757	4,146
Unrestricted	3,082	2,742
Total net position	\$ 6,839	\$ 6,888

Net position of the Fire District's governmental activities decreased by \$48,700 during 2017. The change in net position compared to the prior year was primarily due to decreases in public safety expenses of approximately \$20,000.

The \$3.1 million in unrestricted net position of governmental activities represents the accumulated results of operations, or the residual that would remain after the Fire District paid all of its obligations. The changes in net position are discussed later in this analysis.

(Continued)

The results of this year's operations for the primary government as a whole as reported in the Statement of Activities are as follows:

Fire Protection District No. 5  
of the Parish of Pointe Coupee, Louisiana  
Statement of Activities  
For the years ended December 31, 2017 and 2016  
(in thousands)

	2017	2016
Revenues:		
Taxes	\$ 1,254	1,234
Capital grants and contributions	10	-
Other general revenues	37	62
Total revenues	1,301	1,296
Functions/Programs Expenses:		
Public safety	1,338	1,348
Interest on long-term debt	12	14
Total expenses	1,350	1,362
Change in net position	(49)	(66)
Beginning net position	6,888	6,954
Ending net position	\$ 6,839	\$ 6,888

The decrease in the net position between 2017 and 2016 largely relates to an increase in expenses, primarily driven by an increase in payments to contract firemen and administrative expenses.

**Fund Financial Statements**

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. These statements focus on the major funds rather than generic fund types.

**Reporting on the Fire District as a Whole**

Our analysis of the Fire District's General Fund begins on page 13 with the fund financial statements that provide detailed information about the General Fund. The General Fund is required to be established by state law. However, the Fire District's Board may establish other funds to control and manage money for particular purposes or to meet legal responsibilities for

using certain taxes, grants, and other money. The Board has not established any other funds other than the General Fund.

**Governmental funds** - Governmental funds 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 balances of spendable resources available at the end of the fiscal year. All of the Fire District's services are reported in governmental funds. These governmental funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Fire District's general government operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Fire District's programs. The relationship (or differences) between governmental activities, reported in the Statement of Net position and the Statement of Activities, and governmental funds are described in a reconciliation to the financial statements. The Fire District has one governmental fund, which is the General Fund.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and begin on page 17.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Fire District's major fund, the General Fund, which can be found on page 32.

### Financial Analysis of the Government's Funds

The general government operations of the Fire District are accounted for in the General Fund. The focus of this fund, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Fire District's financing requirements. The following is a summary of the Fire District's operations for 2017 and 2016 for the General Fund:

	(in thousands)	
	2017	2016
Revenue	\$ 1,301	\$ 1,269
Expenditures	1,003	929
Excess of revenue over expenditures	298	340
Other financing sources	40	26
Net change in fund balance	338	366
Fund balance, beginning of year	2,750	2,384
Fund balance, ending of year	\$ 3,088	\$ 2,750

The Fire District's General Fund experienced an increase in fund balance of \$339,000 during 2017. At year end, the fund balance of the General Fund was approximately \$3.1 million compared to \$2.8 million at December 31, 2016. Of the \$3.1 million in the General Fund's fund balance, approximately \$36,800 is in non-spendable form and the remaining is unassigned and available for utilization at the Fire District's discretion to fund activities within the Fire District's mission.

Sources of governmental revenues are summarized below:

<u>Source of Revenue</u>	(in thousands)			
	2017		2016	
	<u>Revenue</u>	<u>%</u>	<u>Revenue</u>	<u>%</u>
Taxes	\$ 1,238	95	\$ 1,234	97
Other	<u>63</u>	<u>5</u>	<u>35</u>	<u>3</u>
Total	<u>\$ 1,301</u>	<u>100</u>	<u>\$ 1,269</u>	<u>100</u>

Revenues of the General Fund for 2017 totaled \$1,301,000, compared with \$1,269,000 for 2016. The most significant increase was in other revenue of approximately \$10,000, which was related to increases in capital grants and contributions.

Expenditures of the primary government were \$1,003,000 and \$929,000 for the years ended 2017 and 2016, respectively. Expenditures increased by \$74,000 for the year ended 2017. The largest increase was capital outlay expenditures of \$30,000 primarily related to the acquisition of equipment and gears in 2017.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year the Fire District's General Fund budget was amended on one occasion. The amendment of the operating and capital budgets is a customary practice of the Fire District and is reflective of the financial changes that occur throughout the fiscal year. The most significant reasons for these budget amendments during 2017 were:

- An increase in sales and use tax by \$15,000 for collections,
- An increase in maintenance expenditures of \$11,000,
- An increase in supplies expenditures of \$14,000, and
- A decrease in capital outlay expenditures of \$180,000.

With these adjustments, the actual charges to appropriations (expenditures) were \$53,000 less than the related final budget appropriations of \$1.1 million, primarily due to less than expected expenditures for capital outlay.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2017, the Fire District had approximately \$4.2 million invested in a broad range of capital assets, including land, buildings, machinery and equipment. This amount represents a net decrease of approximately \$483,000, or 10%, over last year and is related primarily to a current year depreciation expense recognized. The Fire District's capital assets, net of accumulated depreciation, at December 31, 2017 were as follows:

	Governmental Activities
Land	\$ 139,530
Building and improvements	2,278,784
Machinery and equipment	954,584
Vehicles	787,019
Capital assets, net	\$ 4,159,917

Fire District's final 2017 capital outlay budget provided for expenditures of \$65,000 for machinery and equipment purchases; however, \$94,000 was capitalized. More detailed information on the Fire District's capital assets is presented in Note 5 to the financial statements.

### Debt

At year-end, the Fire District had \$402,690 in long-term debt outstanding as shown below:

	Balance Beginning of Year	Additions	Reduction	Balance End of Year	Due Within One Year
Governmental Activities:					
Capital lease - rescue pumper	\$ 496,646	\$ -	\$ 93,956	\$ 402,690	\$ 96,569

More detailed information about the Fire District's long-term liabilities is presented in Note 6 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Fire District is reliant upon ad valorem and sales tax collections, which account for 95% of its revenues. The Fire District expects its revenues from these sources to increase by 1% in 2018. The budget expenditures for 2018 are expected to increase by \$206,000, or 20%, due to an increase in capital outlay expenditures from \$65,000 to \$232,000, with minor decreases in supplies and maintenance expenses, and an increase of \$66,000 for contract protection services.

### Contacting the Fire District's Financial Management

This financial report is designed to provide a general overview of the Fire District's finances for all those with an interest in the Fire District's finances. If you have questions about this report or need additional financial information, contact the Fire Protection Fire District No. 5 of the Parish of Pointe Coupee, Louisiana, at P.O. Box 1053, New Roads, Louisiana 70760.

**FIRE PROTECTION DISTRICT NO. 5  
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

**STATEMENT OF NET POSITION**

December 31, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,726,564
Investments	354,472
Accounts receivable	987,447
Due from other governments	19,427
Prepaid expenses	36,820
Capital assets:	
Non-depreciable	139,530
Depreciable, net	<u>4,020,387</u>
Total assets	<u>\$ 7,284,647</u>
<b>LIABILITIES</b>	
Accounts payable and other accrued liabilities	\$ 42,756
Long-term liabilities:	
Due within one year	96,569
Due in more than one year	<u>306,121</u>
Total liabilities	<u>445,446</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,757,227
Unrestricted	<u>3,081,974</u>
Total net position	<u>6,839,201</u>
Total liabilities and net position	<u>\$ 7,284,647</u>

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

**FIRE PROTECTION DISTRICT NO. 5  
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

**STATEMENT OF ACTIVITIES**

For the year ended December 31, 2017

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>				
Public safety	\$ 1,337,959	\$ -	\$ -	\$ 10,000
Interest on long-term debt	12,169	-	-	-
Total governmental activities	1,350,128	-	-	10,000
General revenues:				
Taxes:				
Ad valorem				1,062,861
Sales and use				164,294
State revenue sharing				10,880
State fire insurance rebate				35,147
Investment earnings				2,242
Grants and contributions not restricted for specific programs				16,054
Total general revenues				1,291,478
Change in net position				(48,650)
Net position - beginning of year				6,887,851
Net position - end of year				\$ 6,839,201

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

**FIRE PROTECTION DISTRICT NO. 5  
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

December 31, 2017

	<b>General Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,726,564
Investments	354,472
Accounts receivable	987,447
Due from other governments	19,427
Prepaid insurance	36,820
Total assets	\$ 3,124,730
<b>LIABILITIES</b>	
Accounts payable and other accrued expenses	\$ 35,757
<b>FUND BALANCE</b>	
Nonspendable	36,820
Unassigned	3,052,153
Total fund balance	3,088,973
Total liabilities and fund balance	\$ 3,124,730

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

**FIRE PROTECTION DISTRICT NO. 5  
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

December 31, 2017

Total fund balances - governmental funds (Exhibit A-2)		\$ 3,088,973
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		4,159,917
Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Capital lease payable	(402,690)	
Accrued interest	(6,999)	(409,689)
Net position of governmental activities (Exhibit A)		\$ 6,839,201

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

**FIRE PROTECTION DISTRICT NO. 5  
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS**

For the year ended December 31, 2017

	<u>General Fund</u>
<b>REVENUES</b>	
Taxes:	
Ad valorem	\$ 1,062,861
Sales and use	164,294
State revenue sharing	10,880
Insurance premium	35,147
Interest and other	<u>28,296</u>
Total revenues	<u>1,301,478</u>
<b>EXPENDITURES</b>	
Current function:	
Public safety:	
Contract protection services	174,778
Administrative	190,426
Insurance	93,369
Maintenance	88,022
Communications	69,806
Training	25,140
Professional fees	28,842
Supplies	46,695
Protective services	44,952
Utilities	23,247
Travel	13,786
Other	2,557
Debt service	107,759
Capital outlay	<u>93,940</u>
Total expenditures	<u>1,003,319</u>
Excess of revenues over expenditures	298,159
<b>OTHER FINANCING SOURCES</b>	
Proceeds from insurance	<u>40,386</u>
Net change in fund balance	338,545
<b>FUND BALANCE</b>	
Beginning of year	<u>2,750,428</u>
End of year	<u>\$ 3,088,973</u>

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

**FIRE PROTECTION DISTRICT NO. 5  
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, 2017

Net change in fund balance - total governmental fund (Exhibit A-4) \$ 338,545

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay.

Capital outlay	93,940	
Depreciation expense	<u>(576,725)</u>	(482,785)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.

Principal payments on debt		93,956
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest payable		<u>1,634</u>
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Change in net position of governmental activities (Exhibit A-1) \$ (48,650)

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

**FIRE PROTECTION DISTRICT NO. 5 OF THE PARISH  
OF POINTE COUPEE, LOUISIANA**  
New Roads, Louisiana

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General Information**

The Fire Protection District No. 5 of the Parish of Pointe Coupee, Louisiana (the Fire District) was created by a resolution of the Pointe Coupee Police Jury in 1981. The Fire District operates under the commission of government and provides fire protection services to all of the territories within the limits of Pointe Coupee Election Districts 7, 8, 9, and portions of Election Districts 4 and 6, as said Election Districts were constituted in 1981, the District 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.

**Statement Presentation**

The financial statements of the Fire District have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The more significant accounting policies established in GAAP and used by the Fire District are described below.

The financial statements comply with GASB approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Fire District’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Fire District’s activities.
- A change in the fund financial statements to focus on the major funds.

The Fire District’s basic financial statements consist of the government-wide statements of the primary government (the Fire District) and the fund financial statements (the General Fund). The Fire District’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Reporting Entity

As stated previously, the Fire District was created by a resolution of the Pointe Coupee Parish Police Jury (Police Jury) in 1981, a political subdivision. The Fire District does not possess all of the corporate powers necessary to make it a legally separate entity from the Pointe Coupee Parish Police Jury, which holds the Fire District's corporate powers. For this reason, the Fire District is a component unit of the Pointe Coupee Parish Police Jury, the financial reporting entity. In accordance with LRS 40:1494 the Fire District is managed by a board of five commissioners. Two commissioners are appointed by the Pointe Coupee Parish Police Jury and two are appointed by the City of New Roads. These four commissioners then appoint the fifth to act as Chairman of the Board.

GASB Statement No. 61, *The Reporting Entity*, established criteria for determining which component units should be considered part of the Fire District for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

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

As required by generally accepted accounting principles, these financial statements present the Fire District; there are no component units to be included either blended within the Fire District's funds or discretely presented in these financial statements.

### Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary activities of the Fire District. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Fund Financial Statements**

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. The Fire District consists of one governmental fund, the General Fund.

### ***Governmental Fund Types***

Governmental funds are those through which governmental functions of the Fire District are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Fire District are accounted for through governmental funds. Measurement is focused upon determining changes in financial position rather than net income. The following are the governmental fund types of the Fire District:

**General Fund** - The general fund is the general operating fund of the Fire District. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is always a major fund.

### **Basis of Accounting and Measurement Focus**

#### ***Government-wide Financial Statements***

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Ad valorem taxes are recognized in the year for which they are assessed.

#### ***Fund Financial Statements***

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues, are recorded as earned since they are measurable and available.

Non-exchange transactions, in which the Fire District receives value without directly giving value in return, include sales tax, ad valorem tax, and federal and state aid and grants.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting and Measurement Focus (Continued)**

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December of the current year and January and February of the year subsequent to its assessment. Furthermore, the Fire District budgets the use of ad valorem taxes on a fiscal year basis. Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time. Federal and state aid and grants are recorded as revenue when the Fire District is entitled to the funds, generally corresponding to when grant-related costs are incurred by the Fire District, but subject to the availability criteria.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except (1) unmatured interest on general long-term debt, which is recognized when due, and (2) claims and judgments and compensated absences, which are recorded as expenditures in the governmental fund when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

**Cash and Cash Equivalents**

Cash includes amounts in demand deposit accounts, interest-bearing demand deposit accounts, and money market accounts. Cash equivalents include amounts in savings and time deposits and certificates of deposit with original maturities of ninety days or less. Certificates of deposit with maturities of ninety days or more are classified as investments.

The investment policy of the Fire District is governed by state statutes that include depository and custodial contract provisions. The Fire District invests funds in accordance with La. R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States Treasury Bonds, Treasury Notes, Treasury Bills, and fully-collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the Fire District has a custodial agreement. The Fire District utilizes the Louisiana Asset Management Pool to invest idle funds.

**Accounts Receivable**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. For governmental activities, uncollectible amount are charged directly to the revenue reported.

**Inventory**

Inventories of supplies are immaterial and are recorded as expenditures when purchased rather than when consumed.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

***Government-wide Statements***

The accounting treatment of property, plant, equipment, and infrastructure assets (e.g. fire hydrants) (capital assets), are reported in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized at completion of the construction projects. The Fire District's capitalization policy stipulates a capitalization threshold of \$500.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed, while improvements that add to the value or extend asset lives are capitalized.

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

Buildings	40 years
Improvements	12 - 40 years
Fire hydrants and water supply lines	25 years
Furniture and fixtures	5 - 12 years
Machinery and equipment	4 - 10 years
Vehicles	10 - 15 years

***Fund Financial Statements***

In the fund financial statements, capital assets used in governmental fund operations are not capitalized. Instead, capital acquisition and construction are reflected as capital outlay expenditures in the governmental funds.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Government-wide Net Position

Government-wide net position is divided into three components:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consist of net position that is restricted by the Fire District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position is reported in this category.

### Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of the Fire District Charter, the Fire District Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed - Amounts that can be used only for specific purposes determined by a formal action by Commission ordinance. This includes the budget reserves.
- Assigned - Amounts that are designated by the Chairperson for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Commission.
- Unassigned - All amounts not included in other spendable classifications.

### Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Fire District's policy is to apply the expenditure in the following priority:

1. Restricted fund balance,
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budget Policy and Budgetary Accounting**

*Policy and Practice*

The Chairman submits an annual budget for the General Fund to the Commissioners in accordance with Louisiana Local Government Budget Act. The budget is presented to the Commissioners for review, and public hearings are held to address the proposed appropriations. Once approved and adopted by the commissioners, the commissioners 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 Commissioners. The legal level of control is by function within the General Fund. Expenditures may not exceed appropriations at this level. Various amendments to the budget were made throughout the year.

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 annual budgeted funds lapse at fiscal year-end.

**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 and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation and prepaid insurance.

**Subsequent Events**

In preparing these financial statements, the Fire District has evaluated events and transactions for potential recognition or disclosure through June 26, 2018, which was the date the financial statements were available to be issued.

## NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

### **Cash and cash equivalents**

At December 31, 2017, the carrying amount of the Fire District's deposits and cash on hand totaled \$1,726,564 and the related bank balances were \$1,746,416.

### **Investments**

The Fire District may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

### ***Certificates of Deposit***

At December 31, 2017, the fair value/carrying value of investments in the certificates of deposit totaled \$201,175 with all securities maturing within one year.

### ***Louisiana Asset Management Pool (LAMP)***

As of December 31, 2017, the Fire District had a balance of \$153,297 invested in LAMP.

The Louisiana Asset Management Pool (LAMP) is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The value of the portfolio is carried at amortized cost.

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

**NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

*Louisiana Asset Management Pool (Continued)*

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets are restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP's report can be obtained from their website [www.lamppool.com](http://www.lamppool.com).

**Cash and Investments Summary**

The following is a reconciliation of the carrying amount of deposits and investments to "Cash and cash equivalents" for the Primary Government on the combined balance sheet.

Cash and cash equivalents:	
Demand deposits	\$ 1,726,499
Cash on hand	<u>65</u>
Total cash and cash equivalents	<u>1,726,564</u>
Investments:	
Certificates of deposit	201,175
LAMP	<u>153,297</u>
Total investments	<u>354,472</u>
Total	<u>\$ 2,081,036</u>

(Continued)

**NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**Collateralization**

Custodial credit risk is the risk that in the event of a financial institution failure, the Fire District's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2017, the Fire District's deposits were fully secured.

The above stated bank balances are collateralized as follows:

	<u>Bank Balance</u>
Federal deposit insurance (FDIC)	\$ 250,000
Pledged securities	1,219,007
Investments and cash equivalents not subject to categorization:	
Raymond James	277,409
Certificates of deposits	201,175
LAMP	<u>153,297</u>
Total collateralized	<u>\$ 2,100,888</u>

**NOTE 3 - FAIR VALUE MEASURES**

**Investment Valuation and Income Recognition**

In accordance with Governmental Accounting Standards Board Statement No. 72, *Fair Value Application and Measurement*, all investments are reported at fair value with gains and losses included in the statement of activities.

The Fire District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Fire District has the ability to access.

**NOTE 3 - FAIR VALUE MEASURES (CONTINUED)**

**Investment Valuation and Income Recognition (Continued)**

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

The Fire District does not have any investments measured using Level 2 or 3 inputs at December 31, 2017.

The Fire District’s investments are stated at fair value. Investment income includes dividends and interest earned on investments, the realized net gain and/or loss from trade of investments, and net unrealized gain and/or loss resulting from market value fluctuations of investments held at year-end relative to cost. All investment income is unrestricted.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Fire District’s investment policy does not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

	Cost	Fair Value at December 31, 2017	
	<u>          </u>	Level 1	Total
Certificates of deposits	\$ 201,175	\$ 201,175	\$ 201,175
Investments not subject to categorization:			
Louisiana Asset Management Pool		<u>153,297</u>	<u>153,297</u>
Total Investments		<u>\$ 354,472</u>	<u>\$ 354,472</u>

**NOTE 4 - AD VALOREM TAXES**

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15% of fair market value; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (L.R.S. 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

All property taxes are recorded in governmental funds as explained in Note 1 above. Revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue. Property taxes are considered available because they are substantially collected during the fiscal year and are therefore available to liquidate liabilities of the current period.

Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (La.R.S. 47:2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (La.R.S. 47:2181). Therefore, there are no delinquent taxes at year end.

For the year ended December 31, 2017, taxes of 5.0 mills were levied for general government and public purposes on property with assessed valuations totaling \$212,572,194. Total taxes levied were \$1,062,861. Property tax millage rates are adopted in the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before December 31 of the current year, and become delinquent thereafter.

**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended December 31, 2017, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 139,530	\$ -	\$ -	\$ 139,530
<b>Capital assets being depreciated:</b>				
Buildings and improvements	3,159,931	-	-	3,159,931
Machinery and equipment	3,618,798	93,940	-	3,712,738
Vehicles	4,641,494	-	-	4,641,494
Total	<u>11,420,223</u>	<u>93,940</u>	<u>-</u>	<u>11,514,163</u>
Less accumulated depreciation for:				
Buildings and improvements	(801,176)	(79,971)	-	(881,147)
Machinery and equipment	(2,570,203)	(187,951)	-	(2,758,154)
Vehicles	(3,545,672)	(308,803)	-	(3,854,475)
Total	<u>(6,917,051)</u>	<u>(576,725)</u>	<u>-</u>	<u>(7,493,776)</u>
Total capital assets, being depreciated, net	<u>4,503,172</u>	<u>(482,785)</u>	<u>-</u>	<u>4,020,387</u>
Governmental activities capital assets, net	<u>\$ 4,642,702</u>	<u>\$ (482,785)</u>	<u>\$ -</u>	<u>\$ 4,159,917</u>

Depreciation expense of \$576,725 was charged to the public safety function within governmental activities.

**NOTE 6 - LONG-TERM DEBT - CAPITAL LEASES**

The Fire District entered a governmental lease purchase agreement to acquire a rescue pumper fire apparatus in 2015. Total cost of the rescue pumper fire apparatus was \$693,952 with an interest rate of 2.781%. The lease is to be paid in seven annual payments of \$107,768 with the final payment due May 2021.

**Debt Outstanding**

The following is a summary of debt transactions of the Fire District for the year ended December 31, 2017:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
<b>Governmental activities:</b>					
Capital lease - rescue pumper	<u>\$ 496,646</u>	<u>\$ -</u>	<u>\$ 93,956</u>	<u>\$ 402,690</u>	<u>\$ 96,569</u>

**NOTE 6 - LONG-TERM DEBT - CAPITAL LEASES (CONTINUED)**

**Debt Service Requirements to Maturity**

The annual requirements to amortize debt outstanding at December 31, 2017, are as follows:

Year	Principal	Interest	Total
2018	\$ 96,569	\$ 11,199	\$ 107,768
2019	99,254	8,514	107,768
2020	102,015	5,753	107,768
2021	104,852	2,916	107,768
Total	<u>\$ 402,690</u>	<u>\$ 28,382</u>	<u>\$ 431,072</u>

**NOTE 7 - COST SHARING PENSION PLAN**

**Plan Description, Contribution Information, and Funding Policies**

In accordance with LA R.S. 33:2036 G. (2), the Fire District provides a Length of Service Awards Program (LOSAP) to all eligible volunteer firemen based upon the Fire District's point system used to determine who is active. The program provides two benefits:

1. Pre-Entitlement Death, if a member dies before reaching entitlement age, the named beneficiary will receive the greater of \$20,000, (the face of the life insurance provided by the plan), or the present value of the member's earned benefit. This lump-sum benefit is payable upon death from any cause. It is not limited to emergency duty. This applies to all members ages 65 and younger (without evidence of insurability) as well as those members over age 65 who qualify for life insurance. Non-insured members will receive the value of their earned benefit payable in the manner established by the plan sponsor.
2. Pre-Entitlement Benefit, at entitlement age, members are entitled to a monthly income from the plan payable for life, with 120 payments guaranteed. The benefit formula in this plan is:
  - a. \$20 per month for each year of past service (service before the plan begins) to a maximum of 15 years.
  - b. \$20 per month for each year of future service (service after the plan begins).
  - c. \$800 maximum monthly benefit (40 total years of service).

The monthly entitlement benefits begin at age 60 and after, for members participating in the plan for at least 1 year. The term "entitlement" is used rather than "retirement" because volunteers do not have to leave the organization or become less active to draw benefits. Each year of active service adds to member's monthly benefit. This benefit becomes 100% vested (guaranteed) after 5 years of service.

**NOTE 7 - COST SHARING PENSION PLAN (CONTINUED)**

**Plan Description, Contribution Information, and Funding Policies (Continued)**

For 2017, the Fire District made the following contributions for active firemen:

Annual year of service	\$ 46,816
Life insurance	3,683
Administrative fee	<u>1,280</u>
Total	<u>\$ 51,779</u>

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

**Risk Management**

The Fire 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 health and life; and natural disasters. The Fire District has purchased various insurance policies to cover such risks. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Fire District. Settled claims have not exceeded this insurance coverage in any of the past three years.

**NOTE 9 - COMPENSATION TO THE GOVERNING BODY**

The Fire District board of commissioners received the following compensation in 2017:

Joe M Gannon	\$ 270
Joesph R Gremillion	270
Kenneth McDowell	240
Kim R Neal	330
Lawrence Smith, Jr	<u>360</u>
Total	<u>\$ 1,470</u>

**NOTE 10 - ON-BEHALF PAYMENTS**

The Fire District is one of several governmental agencies receiving proceeds from a property tax assessment. State law (R.S. 11:82) requires the Fire District to bear a pro-rata share of the pension expense relating to state and statewide public retirement systems. The Fire District's pro-rata share of the required contribution was \$44,648 for 2017, which was withheld by the Pointe Coupee Parish Sheriff from property tax collections to satisfy the Fire District's obligation. The Sheriff withholds the entire amount of this obligation in January each year even though some of the property taxes may never be collected.

**FIRE PROTECTION DISTRICT NO. 5  
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL**

For the year ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 1,054,000	\$ 1,054,000	\$ 1,062,861	\$ 8,861
Sales and use	160,000	175,000	164,294	(10,706)
Insurance premium	34,000	34,000	35,147	1,147
State revenue sharing	12,000	10,000	10,880	880
Interest and other	13,330	13,950	28,296	14,346
	<u>1,273,330</u>	<u>1,286,950</u>	<u>1,301,478</u>	<u>14,528</u>
Total revenues				
<b>EXPENDITURES</b>				
Current function:				
Public safety:				
Contract protection services	186,900	180,500	174,778	5,722
Administrative	183,350	186,050	190,426	(4,376)
Insurance	110,000	110,000	93,369	16,631
Maintenance	76,500	87,500	88,022	(522)
Communications	94,700	87,100	69,806	17,294
Training	52,700	43,700	25,140	18,560
Professional fees	35,000	33,000	28,842	4,158
Supplies	75,350	89,350	46,695	42,655
Protective services	30,000	21,000	44,952	(23,952)
Utilities	25,000	23,500	23,247	253
Travel	18,000	15,000	13,786	1,214
Other	10,000	6,500	2,557	3,943
Debt service	107,408	107,768	107,759	9
Capital outlay	245,000	65,000	93,940	(28,940)
	<u>1,249,908</u>	<u>1,055,968</u>	<u>1,003,319</u>	<u>52,649</u>
Total expenditures				
Excess of revenues over expenditures	<u>23,422</u>	<u>230,982</u>	<u>298,159</u>	<u>67,177</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from insurance	-	-	40,386	40,386
	<u>-</u>	<u>-</u>	<u>40,386</u>	<u>40,386</u>
Net change in fund balance	<u>\$ 23,422</u>	<u>\$ 230,982</u>	<u>338,545</u>	<u>\$ 107,563</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>2,750,428</u>	
End of year			<u>\$ 3,088,973</u>	

**FIRE PROTECTION DISTRICT NO. 5 OF THE PARISH  
OF POINTE COUPEE, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

December 31, 2017

**NOTE 1 - BUDGETS**

**Budget Policy and Budgetary Accounting**

A proposed budget is prepared and submitted by the Chairman of the governing board prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget, prepared on the modified accrual basis, covers the General Fund. At the end of the fiscal year unexpended appropriations automatically lapse. Budget amendments are approved by the governing board and are included in the financial statements.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund as reflected in the legally adopted budget.

**Basis of Accounting**

The Fire District's budget is prepared on the modified accrual basis of accounting as described in Note 1 to the Fire District's financial statements for the year ended December 31, 2017.

**FIRE PROTECTION DISTRICT NO. 5  
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD**

December 31, 2017

**Agency Head:** Mr. Lawrence Smith, Jr., Board Chairman

<u>Purpose</u>	<u>Amount</u>
Salary	<u>\$ 360</u>

INDEPENDENT AUDITORS' 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*

To the Board of Commissioners  
Fire Protection District No. 5 of the  
Parish of Pointe Coupee  
New Roads, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Fire Protection District No. 5 of the Parish of Pointe Coupee (the "District") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 26, 2018.

### 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 opinions 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that 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. However, material weaknesses may exist that have not been identified.

### **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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the provisions of the Louisiana Governmental Audit Guide.

### **The 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 questioned costs. 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.

*Daigrepoint + Brian, APAC*

Daigrepoint & Brian, APAC  
Baton Rouge, LA

June 26, 2018

**FIRE PROTECTION DISTRICT NO. 5 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA**  
Schedule of Findings and Responses  
December 31, 2017

**Section A - Summary of Auditor's Reports**

- The auditor's report expresses an unqualified opinion on the basic financial statements of Fire Protection District No. 5 of the Parish of Pointe Coupee Parish, Louisiana.
- There were no instances of noncompliance or other matters noted during the audit of the basic financial statements.
- One significant deficiency was disclosed during the audit of the basic financial statements.

**Section B - Financial Statement Findings**

None

**FIRE PROTECTION DISTRICT NO. 5 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA**  
Resolution of Prior Year Audit Findings  
December 31, 2016

**2016-1 Policies**

Finding

Each fire station within the district operates under separate policies and by-laws.

Status.

During 2017 the District adopted one set of policies and by-laws for each station within the district.

FIRE PROTECTION DISTRICT NO. 5 OF THE  
PARISH OF POINTE COUPEE

STATEWIDE AGREED UPON PROCEDURES

DECEMBER 31, 2017

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners  
Fire Protection District No. 5 of the  
Parish of Pointe Coupee  
Baton Rouge, LA

We have performed the procedures enumerated below, which were agreed to by the management of Fire Protection District No. 5 of the Parish of Pointe Coupee (District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2017. The Organization's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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- I. 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.

Results: The organization's written policies and procedures only address the ethics category above. However, there do appear to be unwritten policies for the other categories.

#### ***Board or Finance Committee***

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- 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.

Results: One meeting was canceled due to a lack of quorum; all other meetings were held with a quorum. No other exceptions noted.

#### ***Bank Reconciliations***

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- 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);

Results: No exceptions noted as a result of applying this procedure.

- 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

Results: No exceptions noted as a result of applying this procedure.

- 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.

Results: No exceptions noted as a result of applying this procedure.

### Collections

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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).

Results: No exceptions noted as a result of applying this procedure.

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.

Results: The employee responsible for collecting cash is also responsible for making bank deposits. No other exceptions noted.

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

Results: The employee responsible for collecting cash is not bonded or covered by an insurance policy.

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.

Results: We were not able to verify that the deposit was made within one business day. No other exceptions noted.

***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).

Results: No exceptions noted as a result of applying this procedure.
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.

Results: No exceptions noted as a result of applying this procedure.

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.

Results: No exceptions noted as a result of applying this procedure.

#### ***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.

Results: No exceptions noted as a result of applying this 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.

Results: No exceptions noted as a result of applying this procedure.

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).

Results: No exceptions noted as a result of applying this procedure.

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

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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.

Results: No exceptions noted as a result of applying this procedure.

### ***Contracts***

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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.

Results: No exceptions noted as a result of applying this procedure.

### ***Payroll and Personnel***

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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.

Results: No exceptions noted as a result of applying this procedure.

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.

Results: No exceptions noted as a result of applying this procedure.

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.

Results: No employees received termination payments during the fiscal period.

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.

Results: No exceptions noted as a result of applying this procedure.

### ***Ethics***

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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.

Results: Employees/officials did not attest through signature verification that he or she has read the ethics policy. No other exceptions noted.

### ***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.

Results: No bonds or notes were issued during the fiscal period.

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

Results: The only outstanding debt for the District is a capital lease. This lease does not require debt covenants or reserve balances.

### ***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.

Results: No misappropriations noted.

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.

Results: No exceptions noted as a result of applying this procedure.

*Management's Response:* We have reviewed this independent accountant's report on applying agreed-upon procedures and agrees with the exceptions noted. We will review our policies and procedures and update accordingly to include the best practices suggested by the Louisiana Legislative Auditor.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Daigrepont & Brian, APAC*

Daigrepont & Brian, APAC  
Baton Rouge, LA

June 26, 2018