

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

FINANCIAL REPORT

As of SEPTEMBER 30, 2019

**THIBODEAUX ACCOUNTING COMPANY
A LIMITED LIABILITY COMPANY
POST OFFICE BOX 34
RAYNE, LOUISIANA 70578**

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FIRE DISTRICT NO. 4
EUNICE, LOUISIANA
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THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners and Management of
Acadia Parish Fire District No. 4
Eunice, Louisiana

We have audited the accompanying financial statements of the governmental activities and major fund of the Acadia Parish Fire District No. 4, a component unit of the Acadia Parish Policy Jury, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Acadia Parish Fire District No. 4 as of September 30, 2019, and the respective changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in United States of America require that the budgetary comparison information on pages 21-22 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer on page 24, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer is the responsibility of management and was 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Acadia Parish
Fire District No. 4

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2020, on our consideration of the Acadia Parish Fire District No. 4's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the 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 District's internal control over financial reporting and compliance.


Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
April 29, 2020

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

STATEMENT OF NET POSITION
September 30, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	
	2019	(Memo Only) 2018
Current Assets:		
Cash and cash equivalents	\$ 1,057,677	\$ 828,086
Certificates of deposit	22,178	22,017
Other receivables	297	0
Ad valorem receivable	42,881	42,881
Total current assets	\$ 1,123,033	\$ 892,984
Noncurrent Assets:		
Capital assets:		
Non-depreciable	\$ 74,102	\$ 74,102
Depreciable, net	738,330	806,075
Total noncurrent assets	\$ 812,432	\$ 880,177
Total Assets	\$ 1,935,465	\$ 1,773,161
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts and other payables	\$ 23,820	\$ 2,426
Total current liabilities	\$ 23,820	\$ 2,426
Total Liabilities	\$ 23,820	\$ 2,426
<u>NET POSITION</u>		
Net investment in capital assets	\$ 812,432	\$ 880,177
Unrestricted	1,099,213	890,558
Total Net Position	\$ 1,911,645	\$ 1,770,735
Total liabilities and net position	\$ 1,935,465	\$ 1,773,161

The Accompanying Notes Are An Integral Part of
These Financial Statements

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

	GOVERNMENTAL ACTIVITIES	
	2019	(Memo Only) 2018
<u>EXPENSES</u>		
General Government:		
Finance and administration	\$ 384,980	\$ 361,938
Depreciation	80,025	82,240
Total Expenses	\$ 465,005	\$ 444,178
 <u>GENERAL REVENUES</u>		
Ad valorem	\$ 585,514	\$ 649,225
Intergovernmental revenue - fire insurance rebate	5,156	5,178
Interest income	701	536
Grant income	-	-
Miscellaneous income	-	335
State revenue sharing	14,544	14,334
Total General Revenues	\$ 605,915	\$ 669,608
 Change in Net Position	\$ 140,910	\$ 225,430
Net Position, Beginning of Year	1,770,735	1,545,305
Net Position, End of Year	\$ 1,911,645	\$ 1,770,735

The Accompanying Notes Are An Integral Part Of
These Financial Statements

FUND FINANCIAL STATEMENTS (FSS)

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

<u>ASSETS</u>	<u>General Fund</u>	<u>Total (Memorandum Only)</u>	
		<u>2019</u>	<u>2018</u>
Current Assets:			
Cash and cash equivalents	\$ 1,057,677	\$ 1,057,677	\$ 828,086
Certificates of deposit	22,178	22,178	22,017
Other Receivables	297	297	-
Ad valorem receivable	42,881	42,881	42,881
	<u>42,881</u>	<u>42,881</u>	<u>42,881</u>
 Total Assets	 <u>\$ 1,123,033</u>	 <u>\$ 1,123,033</u>	 <u>\$ 892,984</u>
 <u>LIABILITIES & FUND BALANCES</u>			
Current Liabilities:			
Accounts and other payables	\$ 23,820	\$ 23,820	\$ 2,426
	<u>23,820</u>	<u>23,820</u>	<u>2,426</u>
Fund Balances:			
Unassigned	1,099,213	1,099,213	890,558
	<u>1,099,213</u>	<u>1,099,213</u>	<u>890,558</u>
Total Fund Balances	<u>\$ 1,099,213</u>	<u>\$ 1,099,213</u>	<u>\$ 890,558</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,123,033</u>	 <u>\$ 1,123,033</u>	 <u>\$ 892,984</u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2019

	<u>2019</u>
Total fund balance for governmental funds	\$ 1,099,213
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 funds. Those assets consist of:	
Land	74,102
Buildings and improvements, net of \$67,425 accumulated depreciation	283,307
Machinery and equipment, net of \$781,190 accumulated depreciation	<u>455,023</u>
Total net position of governmental activities	<u><u>\$ 1,911,645</u></u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
For the Year Ended September 30, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

<u>REVENUES</u>	General Fund	Total (Memorandum Only)	
	<u>2019</u>	<u>2018</u>	
Ad valorem taxes	\$ 585,515	\$ 585,515	\$ 649,225
Insurance rebates	5,156	5,156	5,178
State revenue sharing	14,544	14,544	14,334
Grant income	-	-	-
Miscellaneous income	-	-	335
Interest income	701	701	536
Total Revenues	<u>\$ 605,916</u>	<u>\$ 605,916</u>	<u>\$ 669,608</u>
<u>EXPENDITURES</u>			
General Government:			
Finance and administration	\$ 384,981	\$ 384,981	\$ 361,938
Capital outlay	12,280	12,280	26,593
Total Expenditures	<u>\$ 397,261</u>	<u>\$ 397,261</u>	<u>\$ 388,531</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 208,655</u>	<u>\$ 208,655</u>	<u>\$ 281,077</u>
Net Change in Fund Balance	\$ 208,655	\$ 208,655	\$ 281,077
Fund Balance, Beginning of Year	<u>890,558</u>	<u>890,558</u>	<u>609,481</u>
Fund Balance, End of Year	<u>\$ 1,099,213</u>	<u>\$ 1,099,213</u>	<u>\$ 890,558</u>

The Accompanying Notes Are An Integral Part Of
These Financial Statements

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO CHANGE IN NET POSITION FOR THE
STATEMENT OF ACTIVITIES
September 30, 2019

	<u>2019</u>
Net change in fund balance - governmental fund	\$ 208,655
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	12,280
Depreciation expense for the year then ended	<u>(80,025)</u>
Change in net position for statement of activities	<u>\$ 140,910</u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

ACADIA PARISH FIRE DISTRICT NO. 4
EUNICE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

Note 1. Summary of Significant Accounting Policies:

(A) Financial Reporting Entity

The Acadia Parish Fire District No. 4 was created as a fire protection district by resolution of the Police Jury of the Parish of Acadia, State of Louisiana on February 14, 1989 to provide fire protection services. The district shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The district shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary or proper for effective fire prevention and control.

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

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

The District was determined to be a component unit of the Acadia Parish Police Jury financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Acadia Parish Policy Jury maintains fiscal and budgetary control over the District and must approve any holding of an election or incurring of debt or levy of any taxes or parcel fees by the board.

(B) Basis of Presentation

The accompanying basic financial statements of the Acadia Parish Fire District No. 4 (hereafter referred to as the District) have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

ACADIA PARISH FIRE DISTRICT NO. 4
EUNICE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

(C) Fund Accounting

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

Governmental Funds

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

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

(D) Measurement Focus, Basis of Accounting and Financial Statement Presentation

Fund Financial Statements

The amounts reflected in the 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 on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financial sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide view of the District's operations.

The amounts reflected in the Governmental Funds use the modified accrual basis of accounting. Under this basis of accounting, revenues are generally recognized when they both become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the year end. Ad valorem tax revenue and insurance rebate revenue are recorded when due. Substantially, all other revenues are recorded when received.

ACADIA PARISH FIRE DISTRICT NO. 4
EUNICE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

Expenditures (including capital outlays) are generally recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due.

Government-Wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the financial activities of the Acadia Parish Fire District No. 4 as a whole. These statements include all the non-fiduciary activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem or property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(E) Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable government-wide financial statements, capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 for capitalizing capital assets.

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

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

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

(F) Fund Balance - Fund Financial Statements -

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

Nonspendable- funds that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted- funds that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed- funds that are constrained by limitations that the government imposes on itself. These amounts are imposed at the highest level of authority. These amounts are binding unless removed in the same manner that it was imposed and any action must be taken prior to year-end.

ACADIA PARISH FIRE DISTRICT NO. 4
EUNICE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

Assigned- funds whose intended use has been established. These amounts can be, but are not required to be, imposed at the highest level of authority. They do not have to be binding and action does not have to be taken prior to year-end.

Unassigned- all other spendable amounts.

The District considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The District also considers committed fund balances to be spent first when other unrestricted fund balance classification are available for use.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives).

(G) Net Position - Government-Wide Statements

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

1. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows or resources attributable to the acquisition, constructions, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
2. Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the District's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
3. Unrestricted net position – consist of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted resources first, then unrestricted resources as they are needed.

(H) 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

(I) Encumbrances

Encumbrance accounting is employed as an extension of the formal budgetary process. Under this method, purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Any encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures of liabilities.

ACADIA PARISH FIRE DISTRICT NO. 4
EUNICE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

There were no encumbrances outstanding at September 30, 2019 as the District does not utilize this method.

Note 2. Cash and Investments

Cash consists of amounts in demand deposit, cash on hand, passbook savings accounts, and interest bearing demand deposit accounts with federally insured financial institutions. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At September 30, 2019, the carrying amount of the District's deposits totaled \$1,079,855 and the bank balance was \$1,286,730. The deposits were covered by federal depository insurance and pledged securities.

Note 3. Ad Valorem Taxes

Government-wide financial statements-

Ad valorem taxes are recognized in the year for which they are levied, net of uncollectible amounts, as applicable.

Fund financial statements-

Ad valorem taxes are levied by the Acadia Parish Tax Assessor in September or October and are actually billed to the taxpayers in November. Taxes are due by December 31 of that year and are normally collected in December of the current year and in January and February of the ensuing year. Billed taxes attach as an enforceable lien on property and become delinquent on January 1 of each year following the year the taxes are levied. Ad valorem tax revenues are recognized when levied to the extent that they result in current receivables.

The Acadia Parish Sheriff's Department bills and collects property taxes using the assessed values determined by the parish assessor. The Acadia Parish Tax Collector sends the district's share of the property taxes collected directly to the Fire District's Board of Commissioners.

For the year ended September 30, 2019, the 2018 tax rolls of 8.07 mills were levied on property with an assessed valuation totaling \$72,554,387. Total taxes levied were \$585,514.

Note 4. Compensated Absences

The District does not have any full-time employees; therefore, there are no established leave policies.

Note 5. Risk Management

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

ACADIA PARISH FIRE DISTRICT NO. 4
EUNICE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

Note 6. Capital Assets and Depreciation

Capital asset activity for the year ended September 30, 2019 was as follows:

	2019			
	9/30/2018	Additions	Retirements	9/30/2018
Governmental activities:				
Capital assets, not being depreciated-				
Construction in Progress	\$ -	-	-	-
Land	74,102	-	-	74,102
Total capital assets, not being depreciated	\$ 74,102	\$ -	\$ -	\$ 74,102
Governmental activities:				
Capital assets being depreciated				
Buildings and improvements	\$ 345,536	-	-	345,536
Machinery and equipment	1,229,128	12,280	-	1,241,408
Total capital assets being depreciated	\$ 1,574,664	\$ 12,280	\$ -	\$ 1,586,944
Less accumulated depreciation for:				
Buildings and improvements	\$ (54,354)	\$ (13,362)	\$ -	\$ (67,716)
Machinery and equipment	(714,235)	(66,663)	-	(780,898)
Total accumulated depreciation	\$ (768,589)	\$ (80,025)	\$ -	\$ (848,614)
Total capital assets being depreciated, net	\$ 806,075	\$ (67,745)	\$ -	\$ 738,330
Governmental activities capital assets, net	\$ 880,177	\$ (67,745)	\$ -	\$ 812,432

Total depreciation expense for the year ended September 30, 2019 was \$80,025.

ACADIA PARISH FIRE DISTRICT NO. 4
EUNICE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

Note 7. Compensation of Commissioners

A detail of compensation paid to the Board of Commissioners for the year ended September 30, 2019 follows:

Roger Pedigo, President	\$ 1,300
John R. Ruppert, Secretary/Treasurer	1,300
Stephen Miller	1,300
Thomas K. Frey	1,300
Robert Fontenot	1,300
	<hr/>
	\$ 6,500

Note 8. Litigation

As of September 30, 2019, there was no litigation or claims against the District.

Note 9. Related Party Transactions

There were no related party transactions during the period ended September 30, 2019.

Note 10. Local Service Agreement

A local service agreement between the District and the City of Eunice authorizes the transfer of 3.0 mills out Of 8.07 mills to the City of Eunice to assist in providing fire protection to residents located in the area of the District.

Note 11. Evaluation of Subsequent Events

The District has evaluated subsequent events through April 29, 2020 the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended September 30, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

	2019			Variance Favorable (Unfavorable)	(Memo Only)
	Budget		Actual		2018
	Original	Final			Actual
Revenues:					
Ad valorem	\$ 630,000	\$ 550,000	\$ 585,515	\$ 35,515	\$ 649,225
Insurance rebate	5,500	5,200	5,156	(44)	5,178
State revenue sharing	14,500	14,500	14,544	44	14,334
Grant income	-	-	-		-
Miscellaneous income	-	-	-	-	335
Interest	575	700	701	1	536
Total Revenues	<u>\$ 650,575</u>	<u>\$ 570,400</u>	<u>\$ 605,916</u>	<u>\$ 35,516</u>	<u>\$ 669,608</u>
Expenditures:					
Current-					
General government:					
General government	\$ 372,030	\$ 382,365	\$ 384,981	\$ (2,616)	\$ 361,938
Capital outlay	75,000	1,000	12,280	(11,280)	26,593
Total Expenditures	<u>\$ 447,030</u>	<u>\$ 383,365</u>	<u>\$ 397,261</u>	<u>\$ (13,896)</u>	<u>\$ 388,531</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 203,545</u>	<u>\$ 187,035</u>	<u>\$ 208,655</u>	<u>\$ 21,620</u>	<u>\$ 281,077</u>
Other sources (uses)					
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	-	-	-
Total other sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 203,545</u>	<u>\$ 187,035</u>	<u>\$ 208,655</u>	<u>\$ 21,620</u>	<u>\$ 281,077</u>
Fund Balances - Beginning of year	<u>890,558</u>	<u>890,558</u>	<u>890,558</u>	<u>-</u>	<u>609,481</u>
Fund Balances - End of year	<u><u>\$ 1,094,103</u></u>	<u><u>\$ 1,077,593</u></u>	<u><u>\$ 1,099,213</u></u>	<u><u>\$ 21,620</u></u>	<u><u>\$ 890,558</u></u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

**NOTES TO THE BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2019**

Note 1. Budgets and Budgetary Accounting

The Acadia Parish Fire District No. 4 uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. The President submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is then legally enacted through adoption by the board.
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year end. The budgets presented are the originally adopted budget and the final budget made during the year.

OTHER SUPPLEMENTARY INFORMATION

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the Year Ended September 30, 2019

Agency Head Name: Roger Pedigo, President

Purpose	Amount
Salary	\$ 1,300
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	320
	<hr/>
	<u>\$ 1,620</u>

See independent auditor's report.

**COMPLIANCE, INTERNAL CONTROL
& OTHER INFORMATION**

THIBODEAUX ACCOUNTING COMPANY

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CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

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

To the Board of Directors and Management of
Acadia Parish Fire District No. 4
Eunice, 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, each major fund, and the aggregate remaining fund information of the Acadia Parish Fire District No. 4 as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Acadia Parish Fire District No. 4's basic financial statements and have issued or report thereon dated April 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Acadia Parish Fire District No. 4'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 Acadia Parish Fire District No. 4's internal control. Accordingly, we do not express an opinion on the effectiveness of the Acadia Parish Fire District No. 4'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 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and corrective action plan at 2019-1 and 2019-2 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crowley Service Area Fire Protection District No. 11's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards* and they are described in the accompanying schedule of findings and correction action plan at 2019-3 and 2019-4.

Acadia Parish Fire District No. 4's Response to Findings

The Acadia Parish Fire District No. 4's response to the findings identified in our audit is described in the accompanying schedule of findings and corrective action plan. Acadia Parish Fire District No. 4'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.

This report is intended for the information and use of the Board and management of the Acadia Parish Fire District No. 4, the Acadia Parish Police Jury, and the Legislative Auditor of the State of Louisiana. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
April 29, 2020

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

Schedule of Prior Year Audit Findings
For the Year Ended September 30, 2019

2018-1 The Fire District does not have a person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Recommendation: The District should hire a CPA to prepare the financial statements; however, the District's Board should review and take responsibility for the financial statements, including the related notes, and any adjusting journal entries.

Status: Unresolved.

2018-2 The Fire District does not have an adequate segregation of duties in the administrative office. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion.

Recommendation: None as this condition is common to most agencies of this type with limited resources and is difficult to resolve due to the funding limitations.

Status: Unresolved.

2018-3 The Fire District failed to submit minutes of its board meetings to the official journal in a timely fashion.

Recommendation: The District should educate themselves on Louisiana Revised Statute 43 and comply with it in the future.

Status: Unresolved.

2018-4 A District employee did not take the one hour ethics course as required by Louisiana Revised Statute 42:1170.

Recommendation: The District should educate themselves on Louisiana Revised Statute 42:1170 and comply with it in the future.

Status: Unresolved.

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

Schedule of Current Year Findings and
Management's Responses and Corrective Action Plan
For the Year Ended September 30, 2019

PART I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the basic financial statements of the Acadia Parish Fire District No. 4 as of and for the year ended September 30, 2019.

Internal Control - Financial Reporting

There were two significant deficiencies in internal control on financial reporting that were disclosed during the audit of the financial statements for the period ended September 30, 2019 and are identified as 2019-1 and 2019-2.

Material Noncompliance – Financial Reporting

There were two instances of noncompliance that were disclosed during the audit of the financial statements for the period ended September 30, 2019 and they are identified as 2019-3 and 2019-4.

PART II. FINDING RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2019-1 Unqualified Staff to Apply GAAP

Finding: The Fire District does not have a person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Cause: The District's volunteers lack training in implementation of generally accepted accounting principles.

Recommendation: The District should hire a CPA to prepare the financial statements; however, the District's Board should review and take responsibility for the financial statements, including the related notes, and any adjusting journal entries.

Response: Management concurs.

Planned Corrective Action: The Fire District has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation and any adjusting journal entries.

**ACADIA PARISH
FIRE DISTRICT NO. 4
EUNICE, LOUISIANA**

Schedule of Current Year Findings and
Management's Responses and Corrective Action Plan
For the Year Ended September 30, 2019

2019-2 Inadequate Segregation of Duties

Finding: The Fire District has no employees. A board is appointed and maintains all financial records. Due to this fact, the Fire District did not have adequate segregation of duties to provide effective internal control.

Cause: The condition is due to economic and space limitations.

Recommendation: No action is recommended.

Response: Management concurs.

Planned Corrective Action: None as this condition is common to most agencies of this type with limited resources and is difficult to resolve due to the funding limitations.

2019-3 Finding: Failure to submit board minutes to the official journal

Finding: The Fire District failed to submit minutes of its board meetings to the official journal in a timely fashion.

Cause: Louisiana Revised Statute 43 requires public bodies to publish its meeting minutes in its official journal.

Recommendation: The District should educate themselves on this statute and comply with it in the future.

Response: Management concurs.

Planned Corrective Action: The District will ensure that it is in compliance with this statute. The District estimates this to be resolved by September 30, 2020.

2019-4 Finding: Ethics Course Violation

Finding: Three district employees did not take the one hour ethics course as required by Louisiana Revised Statute 42:1170. This statute requires all elected officials and public servants to complete a one hour ethics course each year.

Cause: The bookkeeper informed all employees about the ethics course requirement but one employee failed to complete the course.

Recommendation: The District should educate themselves on this statute and comply with it in the future.

Response: Management concurs.

Planned Corrective Action: The District will ensure that all part time employees complete the one hour ethics course annually. The District estimates this to be resolved by September 30, 2020.

Acadia Parish Fire District No. 4

Statewide Agreed-Upon Procedures

Fiscal period October 1, 2018- September 30, 2019

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Commissioners and Management of
Acadia Parish Fire District No. 4
Eunice, Louisiana

We have performed the procedures included enumerated below, which were agreed to by the management of the Acadia Parish Fire District No. 4 (District) and the Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2018 through September 30, 2019. The District'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 the applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

No exceptions noted.

- 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.

The District does not use a P.O. system. An exception was noted in the fact that the District did not have how the vendors are added to the vendor list.

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

No exceptions noted.

- 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).

Exception. There are no written policies and procedures regarding receipts/collections.

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

N/A. Board and bookkeeper are paid a set monthly amount and no attendance or leave records are maintained.

- 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

Exception. There are no written policies and procedures regarding contracts.

- 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)

No exceptions noted.

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

No exceptions noted.

- 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.

Exception. There are no written policies and procedures regarding ethics.

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

Not applicable.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Exception noted.

Board or Finance Committee

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

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

No exception noted.

- 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.*

Exception. The minutes did not reference monthly budget-to-actual comparisons nor monthly financial statements for referenced funds.

- 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.

N/A

Bank Reconciliations

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

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

No exceptions noted.

- 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

No exceptions noted.

- 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.

Exception noted. There was one item that was outstanding longer than 12 months with no evidence that it was researched.

Collections (excluding EFTs)

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).

No deposit sites. The District only receives checks mailed to a post office box.

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.

N/A

- 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.

Exception noted. The bookkeeper receives payments through the mail and posts entries.

- 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.

Exception noted. The bookkeeper receives payments through the mail and posts entries.

- 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.

Exception noted. The bookkeeper is responsible for all.

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

As per inquiry of management, the bookkeeper is bonded.

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

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

N/A

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

N/A

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

N/A

- 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).

N/A

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

N/A

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

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).

The District only have one location. We obtained management's representation that the listing is complete.

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

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

No exceptions noted.

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

No exception noted.

- 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.

Exception noted. The bookkeeper is responsible.

- 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.

Exception noted. The bookkeeper mails checks and processes payments.

- 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.

No exceptions noted.

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

Exception noted. There was no evidence of segregation of duties on any of the five invoices tested.

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

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

We obtained listing and management's representation.

- 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 (or electronically approved), 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.])

No exceptions noted.

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

No exceptions noted.

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

(1) No exceptions noted.

(2) No exceptions noted.

(3) No meal purchases.

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

- 14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5

reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

No exceptions noted.

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

No exceptions noted.

- 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).

No exceptions noted.

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

No exceptions noted.

Contracts

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

The District does not have any contracts.

- 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.

Not applicable.

- 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).

Not applicable.

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

Not applicable.

- 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.

Not applicable.

Payroll and Personnel

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

Personnel files are not maintained. All board members and bookkeeper are paid a set monthly amount.

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.)

Not applicable.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Not applicable.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Not applicable.

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.

Not applicable.

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.

Management's representation obtained.

Ethics

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

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Exception noted.

- 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.

Exception noted. The District does not have an ethics policy.

Debt Service

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.

Not applicable.

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 (including contingency funds, short-lived, or other funds required by the debt covenants).

Not applicable.

Other

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

Not applicable.

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.

The District did have the required notice posted in a conspicuous place upon its premises but the District does not have a website.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we did 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.

Thibodeaux Accounting Company
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A Limited Liability Company
Rayne, Louisiana
April 29, 2020