

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA

Financial Statements
For the Year Ended December 31, 2019

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lincoln Parish Fire Protection District No. 1
Ruston, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of the Lincoln Parish Fire Protection District No. 1, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

To the Board of Commissioners
Lincoln Parish Fire Protection District No. 1
Ruston, Louisiana

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Lincoln Parish Fire Protection District No. 1, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 4-6; the budgetary comparison information on pages 25-27; and the schedule of proportionate share of the net pension liability and schedule of contributions related to the Firefighters' Retirement of Louisiana on page 29 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

The Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer is the responsibility of management and was derived directly from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 my opinion, the Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 29, 2020 on my consideration of the District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance.

To the Board of Commissioners
Lincoln Parish Fire Protection District No. 1
Ruston, Louisiana

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lincoln Parish Fire Protection District No. 1's internal control over financial reporting and compliance.

WILLIAM R. HULSEY (APAC)
Certified Public Accountant


June 29, 2020

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

**LINCOLN PARISH FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Lincoln Parish Fire Protection District provides an overview of the District’s activities for the year ended December 31, 2019 as compared to 2018. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Fire District as a whole.

**Reporting the District as a Whole
The Statement of Net Position and the Statement of Activities**

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report to the District’s net position and changes in them. The District’s net position (the differences between assets and liabilities) measure the District’s financial position. The increases or decreases in the District’s net position are an indicator or whether its financial position is improving or not.

THE FIRE DISTRICT AS A WHOLE

For the year ended December 31, 2019 and 2018, net position changed as follows:

	<u>2019</u>	<u>2018</u>
Beginning Net Position, Restated	\$ 4,289,206	\$ 3,793,944
Increase in Net Position	<u>131,738</u>	<u>463,427</u>
Ending Net Position	<u>\$ 4,420,944</u>	<u>\$ 4,257,371</u>

The Fire District's Funds

The following schedule presents a summary of revenues and expenditures for the years ended December 31, 2019 and 2018:

Revenues	2019 Amount	Percent Of Total	2018 Amount	Percent Of Total
Sales Tax	\$ 553,912	35.44%	\$ 622,250	43.42%
Structure Fees	641,350	41.04%	645,491	45.04%
Grants	10,000	0.64%	20,000	1.40%
Other revenues	357,602	22.88%	145,370	10.14%
Total Revenues	\$1,562,864	100.00%	\$1,433,111	100.00%

Expenditures	2019 Amount	Percent Of Total	2018 Amount	Percent Of Total
Public Safety	\$ 1,431,126	100.00%	\$1,025,452	100.00%
Total Expenditures	\$ 1,431,126	100.00%	\$1,028,452	100.00%

GENERAL FUND BUDGETARY HIGHLIGHTS

The Fire District's General Fund revenues were more than the final budgeted amount by \$35,582 while expenditures had a favorable variance of \$26,650.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At December 31, 2019, the Fire District had \$6,655,392 (\$1,537,315, net of accumulated depreciation) invested in capital assets including buildings, vehicles, and machinery and equipment as shown below:

	December 31 2018	Additions	Disposals	December 31 2019
Vehicles	\$ 1,738,265	\$ 706,298	\$ -	\$ 2,444,563
Building	981,628	-	-	981,628
Machinery & Equipment	3,199,058	30,143	-	3,229,201
Land	12,800	-	-	12,800
Totals at Historical Cost	5,918,951	736,441	-	6,655,392
Less Accumulated Depreciation	(4,959,356)	(171,521)	-	(5,130,877)
Totals, net	\$ 972,395	\$(564,920)	\$ -	\$ 1,537,315

DEBT

The District had a total liability for compensated absences of \$15,348 at year end.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Fire District has continued to hire additional firefighter/operators in the last several years. The District has also purchased replacement vehicles and equipment as needed. It is the goal of the District to provide the best fire protection possible for the citizens of Lincoln Parish and will continue its goal of an improved fire rating.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about the report or need additional information, contact the following:

Contact Person: Kevin Reynolds
Title: Fire Chief

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash	\$ 1,035,921
Investments	2,105,804
Accounts Receivable	707,089
Due from LPPJ	411,317
Non-Depreciable Assets	12,800
Depreciable Assets	<u>1,524,515</u>
Total Assets	<u>5,797,446</u>
<i>Deferred Outflows of Resources</i>	
Pension Related	<u>229,772</u>
Total Deferred Outflows of Resources	229,772
<i>Liabilities</i>	
Accounts Payable	27,012
Due to LPPJ	6,848
Non-Current Liabilities	
Net Pension Liability	1,452,206
Compensated Absences	<u>15,348</u>
Total Liabilities	<u>1,501,414</u>
<i>Deferred Inflows of Resources</i>	
Pension Related	104,860
<i>Net Position</i>	
Net Investment in Capital Assets	1,537,315
Unrestricted	<u>2,883,629</u>
Total Net Position	<u>\$ 4,420,944</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Function/Program Activities					
Government Activities:					
Public Safety	\$ 1,431,126	\$ 641,350	\$ 10,000	\$ -	\$ (779,776)
		General Revenues:			
					553,912
					77,737
					279,865
				Total General Revenues	911,514
				Changes in Net Position	131,738
				Net Position - Beginning, restated	4,289,206
				Net Position - Ending	\$ 4,420,944

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

FUND FINANCIAL STATEMENTS

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Equipment Reserve Fund</u>	<u>Fire Training Center</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash	\$ 727,476	\$ -	\$ -	\$ 308,445	\$ 1,035,921
Investments	4,217	-	2,101,587	-	2,105,804
Accounts Receivable	699,947	-	-	7,142	707,089
Prepaid Expenses	-	-	-	-	-
Due from LPPJ	405,059	3,394	-	2,864	411,317
Due from Other Funds	1,282,001	-	194,788	20,000	1,496,789
TOTAL ASSETS	<u>\$ 3,118,700</u>	<u>\$ 3,394</u>	<u>\$ 2,296,375</u>	<u>\$ 338,451</u>	<u>\$ 5,756,920</u>
LIABILITIES AND FUND EQUITY:					
LIABILITIES:					
Accounts Payable	\$ 26,706	\$ -	\$ -	\$ 306	\$ 27,012
Due to LPPJ	6,836	12	-	-	6,848
Due to Other Funds	138,788	84,454	1,266,290	7,257	1,496,789
Total Liabilities	<u>172,330</u>	<u>84,466</u>	<u>1,266,290</u>	<u>7,563</u>	<u>1,530,649</u>
FUND BALANCES:					
Nonspendable	-	-	-	-	-
Restricted	-	(81,072)	1,030,085	-	949,013
Committed	-	-	-	-	-
Assigned	-	-	-	330,888	330,888
Unassigned	2,946,370	-	-	-	2,946,370
Total Fund Balances	<u>2,946,370</u>	<u>(81,072)</u>	<u>1,030,085</u>	<u>330,888</u>	<u>4,226,271</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,118,700</u>	<u>\$ 3,394</u>	<u>\$ 2,296,375</u>	<u>\$ 338,451</u>	<u>\$ 5,756,920</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019

Total Governmental Fund Balances		\$ 4,226,271
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		1,537,315
Pension related items are not reported in the fund statements:		
Deferred outflows		229,772
Deferred inflows		(104,860)
Net pension liability		(1,452,206)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.		<u>(15,348)</u>
 Net Position of Governmental Activities		 <u>\$ 4,420,944</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Debt Service Fund	Equipment Reserve Fund	Fire Training Center	Total Governmental Funds
Revenues:					
Structure Fees	\$ 641,350	\$ -	\$ -	\$ -	\$ 641,350
Sales Tax	553,912	-	-	-	553,912
Local Grants	-	-	-	10,000	10,000
Insurance Rebate	77,737	-	-	-	77,737
Other Revenues	157,263	-	60,282	150	217,695
Total Revenues	1,430,262	-	60,282	10,150	1,500,694
Expenditures:					
Public Safety					
Salaries and Benefits	894,742	-	-	-	894,742
Insurance and Surety Bonds	61,060	-	-	2,205	63,265
GIS Mapping	20,000	-	-	-	20,000
Professional Services	24,552	-	-	450	25,002
Uniforms	16,697	-	-	-	16,697
Utilities	48,411	-	-	3,760	52,171
Vehicle Expenditures	43,683	-	-	-	43,683
Maintenance	56,776	-	-	-	56,776
Education and Training	2,165	-	-	-	2,165
Telephone	1,804	-	-	-	1,804
Office Supplies	2,410	-	-	-	2,410
Dues and Subscriptions	394	-	-	-	394
Equipment Rental	2,219	-	-	-	2,219
Travel	217	-	-	-	217
Miscellaneous	6,651	-	-	-	6,651
Leases and Taxes	4,146	-	-	-	4,146
Materials and Supplies	5,917	-	-	727	6,644
Capital Outlay	31,106	-	706,298	-	737,404
Total Expenditures	1,222,950	-	706,298	7,142	1,936,390
Excess (Deficiency) of Revenues Over Expenditures	207,312	-	(646,016)	3,008	(435,696)
Other Financing Sources (uses):					
Operating Transfers In	-	-	-	10,000	10,000
Operating Transfers Out	(10,000)	-	-	-	(10,000)
Total Other Financing Sources(Uses)	(10,000)	-	-	10,000	-
Net Change in Fund Balance	197,312	-	(646,016)	13,008	(435,696)
Fund Balances, Beginning (Restated)	2,749,058	(81,072)	1,676,101	317,880	4,661,967
Fund Balances, Ending	\$ 2,946,370	\$ (81,072)	\$ 1,030,085	\$ 330,888	\$ 4,226,271

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ (435,696)
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Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	736,441
Depreciation expense	(171,521)
	564,920

Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities:

Pension expense	(53,189)
Other parties' contributions to pension plans	62,170

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

	(6,467)
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Change in Net Position in Governmental Activities	\$ <u>131,738</u>
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The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincoln Parish Fire Protection District No. 1 (the District) of Ruston, Louisiana was created by resolution and adopted by the Police Jury on April 23, 1991. The governing body of the District consists of a seven-member Board of Commissioners. Four of these commissioners are appointed by the municipalities of Downsville, Dubach, Simsboro, and the Town of Vienna. Three additional members are appointed by the Policy Jury.

The District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June, 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The governmental-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end

Principal revenue sources considered susceptible to accrual include ad valorem taxes, structure fees, sales tax, and interest on investments. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the District's present appropriation system.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2019 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

Fund Accounting

The financial activities of the District are recorded in individual funds, each of which is deemed to be a separate accounting entity. The District uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

General Fund – This fund is established to account for resources devoted to financing the general services that the District performs. Fees and other revenues used to finance the fundamental operation of the District are included in this fund. The fund is charged with all costs of operating the District for which a separate fund has not been established.

Debt Service – This fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds and Special Assessment Funds.

Equipment Reserve Fund – This fund is established to reserve funds for the replacement of equipment when necessary.

Fire Training Center Fund - This fund is established for the purpose of constructing and maintaining a building for training of firefighters.

Use of Estimates

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting Procedures

The budgets for the funds are proposed by the Director and formally adopted by the Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles. Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Commissioners. At year end, all appropriations lapse.

Cash and Cash Equivalents

Cash includes demand deposits and money market accounts. Under state law, the Lincoln Parish Fire Protection District No. 1 may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Lincoln Parish Fire Protection District No. 1 may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The District's policy is to include short-term interest-bearing deposits having a maturity of three months or less as cash equivalents in the financial statements.

Valuation of Carrying Amounts and Deposits

Cash is reported at net book value – the year-end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the bank as of that date.

Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the commissioners – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the police jurors remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

Assigned Fund Balance – This classification reflects the amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. The commissioners and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

Receivables

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. In the process of aggregating data for the statements of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified.

Quasi-external transactions are accounted for as revenue and expenditures. Transactions that constitute reimbursements to a fund are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other interfund transactions that are not to be repaid are recorded as transfers.

Fixed Assets

Fixed assets of the District are stated at cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciable lives are 5 years for equipment and vehicles and 40 years for buildings.

Compensated Absences

Employees accrue from 18 to 30 days of annual leave each year depending on years of service with the District. Firemen may receive up to one year’s sick leave per illness as prescribed under Louisiana law. A provision of \$15,348 has been made for the compensated absences and vacation in these financial statements.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits. The custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its’ own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2019. The District had cash and cash equivalents in demand deposits, totaling \$1,032,607 at December 31, 2019.

These deposits are stated at cost, which approximates market. 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. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at December 31, 2019, are secured, as follows:

Bank Balances	<u>\$ 1,040,799</u>
FDIC Insurance	250,000
Pledged Securities (uncollateralized)	<u>1,892,825</u>
Total	<u>\$ 2,142,825</u>

NOTE 3 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2019 is as follows:

	December 31, 2018			December 31, 2019
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Assets:				
Land	\$ 12,800	\$ -	\$ -	\$ 12,800
Construction in Process	-	-	-	-
Vehicles	1,738,265	706,298	-	2,444,563
Building	981,628	-	-	981,628
Machinery & Equipment	<u>3,199,058</u>	<u>30,143</u>	-	<u>3,229,201</u>
Totals at Historical Cost	<u>5,918,951</u>	<u>736,441</u>	-	<u>6,655,392</u>
Less Accumulated Depreciation for:				
Vehicles	(1,607,533)	(106,031)	-	(1,713,564)
Building	(200,616)	(24,541)	-	(225,157)
Machinery & Equipment	<u>(3,151,207)</u>	<u>(40,949)</u>	-	<u>(3,192,156)</u>
Total Accumulated Depreciation	<u>(4,959,356)</u>	<u>(171,521)</u>	-	<u>(5,130,877)</u>
Total Capital Assets Being Depreciated, Net	<u>959,595</u>	<u>564,917</u>	-	<u>1,524,515</u>
<u>CAPITAL ASSETS, NET</u>	<u>\$ 972,395</u>	<u>\$ (564,917)</u>	<u>\$ -</u>	<u>\$ 1,537,315</u>

Depreciation was charged to the Public Safety function of the District for \$171,521.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 – INVESTMENTS

Custodial Credit Risk – Investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District’s investments in United States government securities are held by the District’s agent in the District’s name. Therefore, the District had no custodial credit risk related to its investments at December 31, 2019.

Under state law, the District may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 2019, the District had the following investments stated at cost, which approximates market:

United States Government Securities	<u>\$ 2,105,804</u>
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Interest Rate Risk. In accordance with its investments policy, the District manages its exposure to declines in fair market values by limiting investment portfolio to “money market investments” which are defined as creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

Credit Risk. The District’s investment policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies.

Concentration of Credit Risk. The District’s investment policy limits the District’s investment instruments to: 1) certificates of deposit; 2) certain direct obligations of the U.S. Government; 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool.

NOTE 5 – ACCOUNTS RECEIVABLE

The receivable of \$707,089 on December 31, 2019, are detailed as follows:

	<u>Total</u>
Structure Fees	\$ 652,536
Sales Tax	48,996
Other Receivables	<u>5,557</u>
Total	<u>\$ 707,089</u>

Based on prior experience, the uncollectible ad valorem taxes net of proceeds from the sheriff’s sale of property is immaterial, thus no provision for an uncollectible amount has been made. The District records 95% of the structure fee assessment per the tax roll as receivable at year end.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 – DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2019, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$1,282,001	\$ 138,788
Debt Service Fund	-	84,454
Fire Training Center	20,000	7,257
Equipment Reserve Fund	<u>194,788</u>	<u>1,266,290</u>
Totals	<u>\$1,496,789</u>	<u>\$1,496,789</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

NOTE 7 – PENSION PLAN

Plan Description

The Lincoln Fire District #1 contributes to the Firefighters' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time firefighters who earn more than \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana.

Any member of the Plan can retire providing the member meets one of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 50 with a minimum of twenty or more years of creditable service.
3. Age 55 with a minimum of twelve or more years of creditable service.

The monthly amount of benefits are 3 1/3% of their average final compensation multiplied by his total years of service, not to exceed 100% of final salary.

The system also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2019, the Lincoln Fire District #1's total payroll for all employees was \$529,008. Total covered payroll was \$578,524. Covered payroll refers to all compensation paid by the Lincoln Fire District #1 to active employees covered by the System.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Firefighters' Retirement System of Louisiana, 3100 Brentwood Drive, Baton Rouge, Louisiana, or by visiting the System's website www.lafirefightersret.com.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 – PENSION PLAN (continued)

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2018, total contributions due for employers and employees were 36.50%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer and contribution rates for all members were 26.50%, and the employee contribution rate was 10.00% for the entire year. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

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

At December 31, 2019, the District reported a liability of \$1,452,206 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Lincoln Fire District #1's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the District's proportion was 0.231911%, which was an increase of 0.005479% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Lincoln Fire District #1 recognized pension expense of \$282,451 plus the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$222,316). Total pension expense was \$60,135.

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	104,754
Changes in assumption	97,657	106
Net difference between projected and actual earnings on pension plan investments	132,115	-
Changes in employer's portion of beginning net pension liability	60,278	149,712
Differences between employer contributions and proportionate share of employer contributions	6,372	6,572
Subsequent measurement contributions	82,688	-
Total	379,110	261,144

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 – PENSION PLAN (continued)

The \$82,688 reported as deferred outflows of resources related to pensions resulting from the Lincoln Fire District #1 contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:	
2020	(6,196)
2021	(19,466)
2022	12,230
2023	26,932
2024	11,787
2025	9,993

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 is as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	7.15% per annum (net of investment expenses, including inflation) (decreased from 7.30% in 2018)
Expected Remaining Service Lives	7 years, closed period
Inflation rate	2.50% per annum (decreased from 2.70% in 2018)
Mortality Rate Assumption	The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009, through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.
Salary increases	Vary from 14.75% in the first two years of service to 4.50% with 25 or more years of service; includes inflation and merit increases.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Cost-of-Living Adjustments (COLAs)	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.
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The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The resulting long-term expected arithmetic nominal rate of return was 7.94% as of June 30, 2019. Best estimates of arithmetic real rates of return for each major class includes in the System's target asset allocation as of June 30, 2019, are summarized in the following table:

	Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	21.50%	5.98%
	Non-U.S. Equity	17.50%	7.52%
	Global Equity	10.00%	6.59%
Fixed Income	Fixed Income	31.00%	2.17%
Alternatives	Real Estate	6.00%	4.14%
	Private Equity	4.00%	10.52%
Multi-Asset Strategies	Global Tactical Asset Allocation	5.00%	4.37%
	Risk Parity	5.00%	4.67%
		100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on System investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the Lincoln Fire District #1's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Lincoln Fire District #1's proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.15%) or one percentage-point higher (8.15%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	2,102,892	1,452,206	906,069

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 – PENSION PLAN (continued)

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at December 31, 2019. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

Detailed information about the System’s fiduciary net position is available in the separately issued Firefighters’ Retirement System of Louisiana Audit Report at www.lafirefightersret.com.

NOTE 8 – LEASE OBLIGATIONS

The Lincoln Parish Fire Protection District No. 1 has entered into nineteen leases for real property on which to locate fire stations. The leases have various commencing dates beginning in July 1992, and running through April 2043. All leases run for twenty-five years following the commencing date with an option for the district to renew the lease for an additional twenty-five years thereafter. All leases are for \$1 per year. Leases shall expire on their own terms if a fire station, fire protection facility or similar structure is not constructed on the leased premises within twenty-four months from the date the agreement is executed by the lessor. Additionally, leases shall expire if the fire station, fire protection facility or other similar structure is not equipped with appropriate fire protection equipment or ceases to be used as a fire protection facility for the period of twenty-four consecutive months.

Because the leases are operating leases, no provision for the underlying property has been made in general fixed assets nor have the leases been reflected as general long-term debt. The following is a schedule of future minimum lease payments:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2020	19
2021	19
2022	19
2023	19
2024	19
2025-2043	<u>361</u>
Total minimum payments required	<u>\$ 456</u>

NOTE 9 – LONG-TERM DEBT

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Government Activities:					
Accrued Vacation and Sick Time	<u>\$ 8,881</u>	<u>\$ 6,467</u>	<u>\$ -</u>	<u>\$ 15,348</u>	<u>\$ 15,348</u>

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 10 - DEFERRED COMPENSATION PLAN

Employees of the Lincoln Parish Fire Protection District No. 1 may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Lincoln Parish Fire Protection District No. 1. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statement No. 32 and No. 34, plan balances and activities are not reflected in the financial statements of the Lincoln Parish Fire Protection District No. 1.

NOTE 11 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual amounts for the year ended December 31, 2019, there were no unfavorable variances more than 5%.

	<u>Budget</u>	<u>Variances Actual</u>	<u>(Unfavorable)</u>
General Fund			
Utilities	\$ 42,000	\$ 48,411	\$ (6,411)
Materials and Supplies	5,000	5,917	(917)
Fire Equipment Reserve Fund			
Capital Outlay	\$ -	\$ 706,298	\$(706,298)

NOTE 12 - LITIGATION AND CLAIMS

According to the Parish District Attorney, the Lincoln Parish Fire Protection District No. 1 had no pending or threatened litigation as of December 31, 2019.

NOTE 13 –COMPENSATION FOR THE BOARD OF COMMISSIONERS

The members of the Board for the Fire Protection District No. 1 receive no compensation.

NOTE 14 – PRIOR PERIOD ADJUSTMENTS

The General Fund reflects a prior period adjustment to fund balance that is a result of a duplicate outstanding item on the bank reconciliation being corrected during the year. This adjustment resulted in an increase to fund balance of \$31,835.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 29, 2020, which the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Intergovernmental:				
Local Grant	\$ 70,000	\$ 75,000	\$ 77,737	\$ 2,737
Sales Tax	625,000	534,000	553,912	19,912
Structure Fees	625,000	640,000	641,350	1,350
Other Revenues	2,500	145,680	157,263	11,583
Total Revenues	<u>1,322,500</u>	<u>1,394,680</u>	<u>1,430,262</u>	<u>35,582</u>
<u>Expenditures (Outflows):</u>				
Public Safety				
Salaries and Benefits	933,100	902,100	894,742	7,358
Insurance and Surety Bonds	60,000	63,500	61,060	2,440
GIS Mapping	20,000	20,000	20,000	-
Professional Services	27,000	25,000	24,552	448
Uniforms	16,000	18,000	16,697	1,303
Utilities	42,000	42,000	48,411	(6,411)
Vehicle Expenditures	45,000	45,000	43,683	1,317
Maintenance	68,000	63,000	56,776	6,224
Education and Training	2,000	2,000	2,165	(165)
Telephone	1,600	1,600	1,804	(204)
Office Supplies	2,500	2,500	2,410	90
Dues and Subscriptions	2,000	2,000	394	1,606
Equipment Rental	3,000	3,000	2,219	781
Travel	1,300	1,300	217	1,083
Miscellaneous	8,500	9,000	6,651	2,349
Leases and Taxes	5,100	5,100	4,146	954
Materials and Supplies	5,000	5,000	5,917	(917)
Capital Outlay	43,000	39,500	31,106	8,394
Total Expenditures	<u>1,285,100</u>	<u>1,249,600</u>	<u>1,222,950</u>	<u>26,650</u>
<u>Excess Expenditures Over Revenues</u>	37,400	145,080	207,312	62,232
<u>Other Financing Uses</u>				
Transfers In (Out)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
<u>Fund Balance at Beginning of Year</u>	<u>2,749,058</u>	<u>2,749,058</u>	<u>2,749,058</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,776,458</u>	<u>\$ 2,884,138</u>	<u>\$ 2,946,370</u>	<u>\$ 62,232</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - EQUIPMENT RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Other Revenues	\$ 30,000	\$ 30,000	\$ 60,282	\$ 30,282
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>60,282</u>	<u>30,282</u>
<u>Expenditures (Outflows):</u>				
Capital Outlay	-	-	706,298	(706,298)
Total Expenditures	<u>-</u>	<u>-</u>	<u>706,298</u>	<u>(706,298)</u>
<u>Excess (Deficiency) of Revenues</u>				
Over Expenditures	30,000	30,000	(646,016)	(676,016)
<u>Other Financing Sources</u>				
Transfers In (Out)	-	-	-	-
<u>Fund Balance at Beginning of Year</u>	<u>1,676,101</u>	<u>1,676,101</u>	<u>1,676,101</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 1,706,101</u>	<u>\$ 1,706,101</u>	<u>\$ 1,030,085</u>	<u>\$ (676,016)</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - FIRE TRAINING CENTER
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Grant Revenue	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Other Revenues	120	120	150	30
	<u>10,120</u>	<u>10,120</u>	<u>10,150</u>	<u>30</u>
<u>Expenditures (Outflows):</u>				
Maintenance of Buildings	100	100	-	100
Utilities	3,700	3,700	3,760	(60)
Materials & Supplies	800	800	727	73
Insurance	2,250	2,250	2,205	45
Maintenance of Equipment	-	-	-	-
Capital Outlay	-	-	-	-
Professional Services	400	400	450	(50)
Total Expenditures	<u>7,250</u>	<u>7,250</u>	<u>7,142</u>	<u>108</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	2,870	2,870	3,008	138
<u>Other Financing Sources</u>				
Transfers In (Out)	10,000	10,000	10,000	-
<u>Fund Balance at Beginning of Year</u>	<u>317,880</u>	<u>317,880</u>	<u>317,880</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 330,750</u>	<u>\$ 330,750</u>	<u>\$ 330,888</u>	<u>\$ 138</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2019

The budgets for the funds are proposed by the Director and formally adopted by the Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles. Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require approval of the Commissioners. At year end, all appropriations lapse.

State law requires the District to amend its budgets when revenues plus projected revenues within a fund are expected to fall short from budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO.1
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2019

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.26669%	\$ 1,439,329	\$ 517,877	278%	72.45%
2016	0.23997%	\$ 1,569,621	\$ 540,151	291%	68.16%
2017	0.22474%	\$ 1,288,199	\$ 539,611	239%	73.55%
2018	0.22643%	\$ 1,302,455	\$ 539,472	241%	74.76%
2019	0.23191%	\$ 1,452,206	\$ 578,524	251%	73.96%

Amounts presented were determined as of the measurement date (previous fiscal year end).
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 146,024	\$ 146,024	\$ -	\$ 517,877	28.20%
2016	\$ 141,893	\$ 141,893	\$ -	\$ 540,151	26.27%
2017	\$ 139,727	\$ 139,727	\$ -	\$ 539,611	25.89%
2018	\$ 143,329	\$ 143,329	\$ -	\$ 539,472	26.57%
2019	\$ 163,096	\$ 163,096	\$ -	\$ 578,524	28.19%

Amounts presented were determined as of the end of the fiscal year.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2019

		<u>Kevin Reynolds</u> <u>Fire Chief</u>
<i>Purpose:</i>		
Salary	\$	78,709
Wages		3,175
Supplemental Pay		6,000
Benefits - Retirement		22,448
Total	\$	110,332

OTHER SUPPLEMENTAL INFORMATION

MEMBER
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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 Commissioners
Lincoln Parish Fire Protection District No. 1
Ruston, Louisiana

I 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 of the Lincoln Parish Fire Protection District No. 1, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated June 29, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I 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, detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Commissioners
Lincoln Parish Fire Protection District No. 1
Ruston, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lincoln Parish Fire Protection District No. 1's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2019-1.

Lincoln Parish Fire Protection District No. 1's Response to Findings

Lincoln Parish Fire Protection District No. 1's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Lincoln Parish Fire Protection District No. 1'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 my 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 use of management of the Lincoln Parish Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

WILLIAM R. HULSEY (APAC)
Certified Public Accountant


June 29, 2020

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Board of Commissioners
 Lincoln Parish Fire Protection District No. 1
 Ruston, Louisiana

I have audited the financial statements of the Lincoln Parish Fire Protection District No. 1 (the District) as of and for the year ended December 31, 2019, and have issued my report thereon dated June 29, 2020. I conducted my 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. My audit of the financial statements as of December 31, 2019, resulted in an unqualified opinion.

SECTION I - Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes X no

Compliance

Compliance Material to Financial Statements X yes ___ no

B. Federal Awards

Material Weakness Identified ___ yes X no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes X no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified ___ Qualified ___

Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with the Uniform
 Guidance (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)

CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION II - Financial Statement Findings

19-1 Louisiana Local Government Budget Act Violation

Condition:

During the year, the Fire District purchased two fire trucks through state contract from the equipment reserve fund. The total cost was \$706,298. This purchase was not included in the original budget, and the budget was not amended to include this purchase.

Criteria:

According to Louisiana Local Government Budget Act, any expenditure that arises during the year that would cause a greater than 5% variance in budgeted expenditures in any fund with anticipated revenue or expenditure greater than \$500,000 requires the chief executive or administrative officer to notify the governing authority in writing resulting in a budget amendment to correct the variance.

Effect:

Not amending the budget for the purchase of 2 fire trucks puts the entity in violation of the Louisiana Local Government Budget Act.

Recommendation:

I recommend that the Board and management review all current and future purchases to determine whether or not a budget amendment is needed.

Response:

At our July 2018 Board meeting, authorization was granted to purchase the trucks on state contract using funds from the general fund if adequate funding would remain for operation of the department. Our balance at the time would allow for both the purchase and operation. The District is in compliance with the Louisiana Bid Law and in compliance with the intent and purpose of the equipment reserve fund. In the future, we will propose a budget amendment to include any expenditure that will cause greater than 5% variance in the original budgeted expenditures.

SECTION III - Federal Award Findings and Questioned Costs

No matters were reported.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

There were no findings for this category.

Management Letter Comments

There were no findings for this category.

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Fire District and the Louisiana Legislative Auditor:

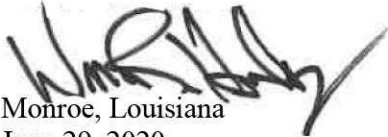
I have performed the procedures enumerated below, which were agreed to by the Fire District (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity'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, I 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 findings obtained are described in the attachment to this report.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.


Monroe, Louisiana
June 29, 2020

SUPPLEMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Exceptions

Currently, the District follows the Lincoln Parish Police Jury's written policies and procedures addressing purchasing and travel. There are no other policies and procedures in place regarding the other areas noted above.

Board or Finance Committee

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

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Bank Reconciliations

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

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
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.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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).
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.
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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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.
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.

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).

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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).
 - 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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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.
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.
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.
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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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.
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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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.
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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.