

MANGHAM FIRE PROTECTION DISTRICT #4
A Component Unit of the Richland Police Jury
Mangham, Louisiana

Financial Statements
For the Years Ended June 30, 2019 and 2018

MANGHAM FIRE PROTECTION DISTRICT NO. 4
RICHLAND PARISH POLICE JURY
Mangham, Louisiana

Component Unit Financial Statements
As of and for the Year Ended June 30, 2019
With Supplemental Information Schedules

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MANGHAM FIRE PROTECTION DISTRICT NO. 4
RICHLAND PARISH POLICE JURY
Mangham, Louisiana

Component Unit Financial Statements
As of and for the Year Ended June 30, 2019
With Supplemental Information Schedules

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Commissioners
Mangham Fire Protection District #4.
Mangham, Louisiana

I have reviewed the accompanying financial statements of the governmental activities of the Mangham Fire Protection District #4, a component unit of the Richland Parish Police Jury, as of June 30, 2019, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the District's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a required 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. The information is the representation of management. I have not audited or reviewed such required supplementary information and, accordingly, I do not express an opinion, conclusion, nor provide any assurance on it.

To the Board of Commissioners
Mangham Fire Protection District #4.
Mangham, Louisiana

Other Supplementary Information

The other supplementary information is presented for purposes of additional analysis and also is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the other supplementary information and, accordingly, I do not express an opinion on such information.

Report on Agreed-Upon Procedures

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated September 24, 2019, on the results of the agreed-upon procedures.

David M. Hartl, CPA (APAC)

West Monroe, Louisiana
September 24, 2019

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

MANGHAM FIRE PROTECTION DISTRICT NO. 4
RICHLAND PARISH POLICE JURY
Mangham, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Our discussion and analysis of the Mangham Fire Protection District No. 4 (the District) financial statements provides an overview of its activities for the year ended June 30, 2019. 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 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 the District's net position and changes in them. The District's net position (the difference between assets and liabilities) measure the District's financial position. Increase or decreases in the District's net position are an indicator of whether its financial position is improving or not.

The District as a Whole

For the years ended June 30, 2019 and 2018, net position changed as follows:

	2019	2018
Beginning net position	\$ 285,020	\$ 316,834
Increase (decrease) in net position	(41,447)	(31,814)
Prior Period Adjustment	(2,124)	
Ending net position	\$ 241,449	\$ 285,020

The District's Funds

The following schedule presents a summary of revenues and expenses for the years ended June 30, 2019 and 2018:

Revenues	2019	Percent of Total	2018	Percent of Total
Parcel Fees	\$ 93,894	85.35%	\$ 71,897	84.92%
State Fire Insurance Rebate	7,741	7.04%	7,799	9.21%
Grants & Miscellaneous	8,370	7.61%	4,972	5.87%
Total Revenues	\$ 110,005	100.00%	\$ 84,668	100.00%

Expenditures	2019	Percent of Total	2018	Percent of Total
Public Safety-Fire Protection	\$ 151,452	100.00%	\$ 116,482	100.00%

BUDGETARY HIGHLIGHTS

The District's total revenues in 2019 were under the allowed 5% variance of the final budgeted revenue. Actual expenditures in 2019 were within the allowed 5% variance of the final budgeted expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2019, the District had \$1,342,818 invested in capital assets (\$533,746, net of accumulated depreciation) including machinery, equipment and vehicles.

Assets	06/30/2018	Additions	Disposals	06/30/19
Land	\$ 17,181			\$ 17,181
Vehicles	549,048	327,890		876,938
Buildings	299,018			299,018
Equipment	100,724	7,496	3,539	104,681
Donated Equipment	45,000			45,000
Total at Cost	1,010,971	335,386	(3,539)	1,342,818
Less: Accumulated Depreciation:				
Vehicles	(527,813)	(36,534)		(564,347)
Buildings	(109,770)	(7,475)		(117,245)
Equipment	(76,167)	(8,083)	1,770	(82,480)
Donated Equipment	(45,000)			(45,000)
Capital assets, net	\$ 252,221	\$ 283,294	\$ 1,769	\$ 533,746

Debt

A tanker truck was purchased by the District with a capital lease. The following is a summary of the capital lease:

June 30, 2018	\$ 0
Additions	339,902
Payments	(17,885)
June 30, 2019	<u>\$ 322,017</u>

The capital lease is for a period of 15 years with payments made annually in August.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's revenues are derived mainly from parcel fees and state fire insurance rebates and small grants. The District expects to receive approximately the same amount in grants for the coming year as was received in this year. The District must continue to monitor its limited resources to fit the needs of the citizens of Richland Parish and be aware of other funding opportunities that may present themselves.

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 funds received by it. If you have any questions about this report or need additional financial information, contact: Gary Piro, PO Box 311 Mangham, LA 71259.

COMPONENT UNIT FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement A

MANGHAM FIRE PROTECTION DISTRICT NO. 4
RICHLAND PARISH POLICE JURY
Mangham, Louisiana

Statement of Net Position
June 30, 2019

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$86,738
Accounts Receivable	0
Capital Assets:	
Non-Depreciable	17,181
Depreciable	<u>516,565</u>
TOTAL ASSETS	<u><u>\$620,484</u></u>
LIABILITIES	
Accounts, salaries, and other payables	\$1,759
Long-Term Liabilities:	
Due Within One Year	29,871
Due in More Than One Year	<u>347,405</u>
TOTAL LIABILITIES	<u><u>\$379,035</u></u>
NET POSITION	
Net investment in capital assets	\$156,470
Net Position - Unrestricted	<u>84,979</u>
TOTAL NET POSITION	<u><u>\$241,449</u></u>

See accompanying notes and Independent Accountant's Review Report.

Statement B

**MANGHAM FIRE PROTECTION DISTRICT NO. 4
RICHLAND PARISH POLICE JURY
Mangham, Louisiana**

**Statement of Activities
For the Year Ended June 30, 2019**

	<u>Governmental Activities</u>
EXPENSES:	
Public Safety-fire protection	<u>\$151,452</u>
GENERAL REVENUES:	
Parcel fees	93,894
State fire insurance rebate	7,741
Grant and contributions	7,884
Interest earnings	86
Other revenues	400
Total general revenues	<u>110,005</u>
CHANGE IN NET POSITION	(41,447)
NET POSITION, BEGINNING	285,020
Prior Period Adjustment	<u>(2,124)</u>
NET POSITION, ENDING	<u><u>\$241,449</u></u>

See accompanying notes and Independent Accountant's Review Report.

COMPONENT UNIT FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

**MANGHAM FIRE PROTECTION DISTRICT NO. 4
RICHLAND PARISH POLICE JURY
Mangham, Louisiana**

**Balance Sheet, Governmental Funds
June 30, 2019**

	ASSETS	<u>GENERAL FUND</u>
Cash and cash equivalents		\$86,738
Accounts Receivable		0
TOTAL ASSETS		<u>\$86,738</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts, salaries, and other payables		<u>\$1,759</u>
Total Liabilities		<u>1,759</u>
Fund balances:		
Unassigned		<u>84,979</u>
TOTAL LIABILITIES AND FUND BALANCES		<u>\$86,738</u>

**Reconciliation of the Balance Sheet of the Governmental Funds
To the Statement of Net Position:**

Fund Balance-total governmental funds		\$84,979
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Governmental capital assets	1,342,818	
Less accumulated depreciation	<u>(809,072)</u>	533,746
Long-term liabilities, including capital leases and bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds:		<u>(377,276)</u>
Net position of governmental activities		<u>\$241,449</u>

See accompanying notes and Independent Accountant's Review Report.

**MANGHAM FIRE PROTECTION DISTRICT NO. 4
RICHLAND PARISH POLICE JURY
Mangham, Louisiana**

**Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds**

For the Year Ended June 30, 2019

	GENERAL FUND
REVENUES	
Parcel fees	\$93,894
Intergovernmental revenues:	
Federal Grant	7,884
Intergovernmental grant	0
Fire insurance rebate	7,741
Interest earnings	86
Other revenues	400
Total Revenues	110,005
EXPENDITURES	
Bank Fees	12,012
Dues and Subscriptions	94
Fuel	1,132
Insurance	27,759
Legal and Accounting	5,175
Licenses & Fees	0
Office Supplies	6,249
Repairs and Maintenance	9,226
Supplies	13,910
Telephone	2,344
Training	3,240
Uniforms	0
Utilities	5,739
Capital Outlay	335,386
Debt Interest	12,836
Debt Principle	31,142
Total Expenditures	466,244
CHANGE IN FUND BALANCE	(356,239)
Other Financing Sources (Uses)	
Loan Proceeds	339,902
Total Other Financing Sources (Uses)	339,902
NET CHANGE IN FUND BALANCE	(16,337)
FUND BALANCES, BEGINNING	101,316
FUND BALANCES, ENDING	\$84,979

See accompanying notes and Independent Accountant's Review Report.

**MANGHAM FIRE PROTECTION DISTRICT NO. 4
RICHLAND PARISH POLICE JURY
Mangham, Louisiana**

**Statement of Revenues, Expenses
and Changes in Fund Balances
Governmental Funds**

For the Year Ended June 30, 2019 (Continued)

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund to the
Statement of Activities:**

Net change in fund balances - total governmental funds (\$16,337)

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 depreciated over their estimated useful lives.

Expenditures for capital assets	335,386	
Less current year depreciation	<u>(51,737)</u>	283,649

Repayment of principal is an expenditure in the
governmental funds, but the repayment reduces long-term
liabilities in the statement of net position.

Bond and loan proceeds	(339,901)	
Principal payments	<u>31,142</u>	<u>(308,759)</u>

Change in net position of governmental activities.		<u><u>(\$41,447)</u></u>
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MANGHAM FIRE PROTECTION DISTRICT NO. 4
RICHLAND PARISH POLICE JURY
Mangham, Louisiana
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

INTRODUCTION

Mangham Fire Protection District No. 4 (the District) was created by resolution of the Richland Parish Police Jury on February 4, 1992 for the purpose of purchasing and maintaining fire equipment and providing fire protection for the people included in the district according to boundaries set by Richland Parish Police Jury. The District is governed by a board of commissioners consisting of four members. The Commissioners are appointed by the Richland Parish Police Jury and receive no compensation. The District has no employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the District is considered a component unit of the Richland Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

Note 1 – Summary of Significant Accounting Policies

A. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Parcel Fees 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Parcel fees, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund. The District has no proprietary fund.

Private-sector standards of accounting and financial reporting issued prior to December 31, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for the business-type activities and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between government enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

C. CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from

the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments for the District are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. RECEIVABLES AND PAYABLES

Parcel fees are levied on a calendar year basis and become delinquent on January 1 of each year. Parcel fees are \$100 per parcel of land. Delinquent parcel fees are considered fully collectible and therefore no allowance for uncollectible fees is provided.

E. CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The cost 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No construction occurred during the current fiscal year.

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

Buildings and Improvements	20 - 40 Years
Vehicles	5 - 15 Years
Equipment	5 - 15 Years

F. COMPENSATED ABSENCES

The District is operated by volunteers and therefore has no policy for compensated absences.

G. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. At June 30, 2019, the District had a capital lease in the amount of \$322,016 and a building loan in the amount of \$55,260.

H. 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 governmental 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 Board of Commissioners-the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes 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.

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 Board of 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.

I. ESTIMATES

The preparation of financial statements in conformity with accounting principles general accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Stewardship, Compliance, and Accountability

Budget Information: Preliminary budgets for the ensuing year are prepared by the secretary-treasurer during November of each year. During December, the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the December meeting. All annual appropriations lapse at year end. Encumbrance accounting is not used by the District. Budgeted amounts included in the accompanying financial statements include the original adopted budget and no amendments for the year ended June 30, 2019.

Note 3 – 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 the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the District had no custodial credit risk related to its deposits at June 30, 2019.

The District has cash and cash equivalents (book balances) totaling \$89,738 at June 30, 2019 as follows:

Demand Deposits	\$86,688
Petty Cash	<u>50</u>
Total	<u>\$86,738</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance of 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. Cash and cash equivalents (bank balances) at June 30, 2019, are secured as follows:

	Non-Interest <u>Bearing</u>	Time and <u>Savings</u>
Bank Balances	\$ 87,140	\$ 0
FDIC Insurance-Non-Interest Bearing	250,000	
FDIC Insurance-Time & Savings		250,000
Uninsured Amount	<u>\$ 0</u>	<u>\$ 0</u>

The accounts are managed by the District's fiscal agent and consist of securities issued or guaranteed by the US government. Investments are in accordance with LRS 33:2955(A)(1)(e) and are not required to be covered by the pledge of securities owned by the fiscal agent bank.

Note 4 – Accounts Receivable

At June 30, 2019, the District's accounts receivable consisted of the following:

Parcel Fees Receivable \$0

Note 5 – Property, Plant and Equipment

Capital asset activity for the year ended June 30, 2019 and 2018 is as follows:

	06/30/18 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	06/30/19 <u>Balance</u>
Non-Depreciable Assets:				
Land	\$ 17,181	\$	\$	\$ 17,181
Depreciable Assets:				
Buildings & Improvements	299,018			299,018
Vehicles	549,048	327,890		876,938
Equipment & Donated	<u>145,724</u>	<u>7,496</u>	<u>3,539</u>	<u>149,681</u>
Totals at Historical Cost	1,010,971	335,386	(3,539)	1,342,818
Less Accumulated Depreciation for:				
Buildings & Improvements	(109,770)	(7,475)		(117,245)
Vehicles	(527,813)	(36,534)		(564,347)
Equipment & Donated	<u>(121,167)</u>	<u>(8,083)</u>	<u>1,770</u>	<u>(127,480)</u>
Total Accumulated Depreciation	<u>(758,750)</u>	<u>(52,092)</u>	<u>1,770</u>	<u>(809,072)</u>
CAPITAL ASSETS, NET	<u>\$ 252,221</u>	<u>\$283,294</u>	<u>\$ 1,769</u>	<u>\$ 533,746</u>

Depreciation expense was \$51,737 in 2019. A tanker truck and radios were purchased during 2019.

Note 7 – Debt

The following capital lease is being serviced by – Principle and Interest by the General Fund:

2018 Freightliner Pumper Tanker, Original financing of \$339,902 at 3.797% payable in 15 annual installments

The following is a summary of debt transactions for 2019:

Payable at June 30, 2018	\$ 0
Additions	339,902
Payments	<u>(17,885)</u>
Payable at June 30, 2019	<u>\$322,017</u>

The annual requirements to maturity, including principle and interest, as of June 30, 2019, are as follows:

Year Ending <u>June 30</u>	Total	Principle	Interest
2020	\$29,068	\$16,687	\$12,381
2021	29,068	17,252	11,816
2022	29,068	17,906	11,161
2023	29,068	18,586	10,482
2024	29,068	19,292	9,776
2025-2029	145,340	108,021	37,319
2030-2033	<u>139,469</u>	<u>124,273</u>	<u>15,196</u>
Total Principle and Interest	<u>\$430,149</u>	<u>\$322,017</u>	<u>\$108,132</u>

The following loan is being serviced by – Principle and Interest by the General Fund:

Fire Station Addition, Original financing of \$68,517
at 3.125% payable in 5 annual installments

The following is a summary of debt transactions for 2019:

Payable at June 30, 2018	\$ 68,517
Additions	0
Payments	<u>(13,257)</u>
Payable at June 30, 2019	<u>\$ 55,260</u>

The annual requirements to maturity, including principle and interest, as of June 30, 2019, are as follows:

Year Ending <u>June 30</u>	Station	Principle	Interest
2020	\$14,911	\$13,184	\$1,727
2021	14,911	13,596	1,315
2022	14,911	14,021	890
2023	<u>14,911</u>	<u>14,459</u>	<u>452</u>
Total Principle and Interest	<u>\$59,644</u>	<u>\$55,260</u>	<u>\$4,384</u>

Note 6 – Prior Period Adjustment

A prior period adjustment was made for bank fees added to original loan for fire station that were omitted in prior year. This adjustment resulted in a decrease in beginning net position of \$2,124.

Note 7 – Subsequent Events

Subsequent events have been evaluated through September 24, 2019, which is 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)
BUDGETARY COMPARISON SCHEDULES

**MANGHAM FIRE PROTECTION DISTRICT NO. 4
RICHLAND PARISH POLICE JURY
Mangham, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual
General Fund (and All Major Governmental Funds)
For the Year Ended June 30, 2019**

Required Supplemental Information

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with final budget GAAP Basis
	Original	Final		
REVENUES				
Parcel fees	\$92,500	\$94,000	\$93,894	(\$106)
Intergovernmental revenues;				
Fire insurance rebates	7,800	7,800	7,741	(59)
Grants	0	7,884	7,884	0
Interest earnings	200	200	86	(114)
Other revenues	1,000	300	400	100
Total Revenues	<u>101,500</u>	<u>110,184</u>	<u>110,005</u>	<u>(179)</u>
EXPENDITURES				
Advertising	50	0	0	0
Bank Fees	50	0	12,012	(12,012)
Dues and Subscriptions	100	100	94	6
Fuel	1,500	1,100	1,132	(32)
Insurance	26,000	28,000	27,759	241
Legal and Accounting	4,500	5,300	5,175	125
Licenses and Fees	300	300	0	300
Office Supplies	5,000	6,500	6,249	251
Repairs and Maintenance	15,000	8,450	9,226	(776)
Supplies	5,000	13,800	13,910	(110)
Telephone	800	2,400	2,344	56
Training	3,100	3,300	3,240	60
Uniforms	1,000	500	0	500
Utilities	6,500	5,600	5,739	(139)
Capital Outlay	328,000	335,400	335,386	14
Debt Principle	20,350	31,150	31,142	8
Debt Interest	20,350	12,900	12,836	64
Total Expenditures	<u>437,600</u>	<u>454,800</u>	<u>466,244</u>	<u>(11,444)</u>
CHANGE IN FUND BALANCE	<u>(336,100)</u>	<u>(344,616)</u>	<u>(356,239)</u>	<u>11,623</u>
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	<u>328,000</u>	<u>328,000</u>	<u>339,902</u>	<u>(11,902)</u>
Total Other Financing Sources (Uses)	<u>328,000</u>	<u>328,000</u>	<u>339,902</u>	<u>(11,902)</u>
NET CHANGE IN FUND BALANCE	<u>(8,100)</u>	<u>(16,616)</u>	<u>(16,337)</u>	<u>(279)</u>
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>101,316</u>	<u>101,316</u>	<u>101,316</u>	<u>0</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>93,216</u>	<u>84,700</u>	<u>84,979</u>	<u>(279)</u>

See accompanying notes and Independent Accountant's Review Report.

MANGHAM FIRE PROTECTION DISTRICT NO. 4
RICHLAND PARISH POLICE JURY
Mangham, Louisiana
NOTES TO BUDGET COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

Preliminary budgets for the ensuing year are prepared by the secretary-treasurer during the last quarter of each year. During May or June, the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted at the last meeting prior to the end of the fiscal year. All annual appropriations lapse at year end. Encumbrance accounting is not used by the District. Budgeted amounts included in the accompanying financial statements include the original adopted budget and one amendment for the year ended June 30, 2019.

OTHER SUPPLEMENTAL SCHEDULES

Schedule 2

**MANGHAM FIRE PROTECTION DISTRICT NO. 4
 RICHLAND PARISH POLICE JURY
 Mangham, Louisiana**

**Schedule of Compensation, Reimbursements, Benefits,
 and Other Payments to Agency Head, Political Subdivision Head
 or Chief Executive Officer
 For the Year Ended June 30, 2019**

<u>NAME</u>	<u>Office</u>	<u>Director Fees*</u>	<u>Volunteer Per Diems**</u>	<u>Reimbursements</u>
John Landers	Chairman	0	390	0
Samuel Duchesne	Director	0	0	0
Fred Douciere	Director	0	0	0
Eugene Free	Director	0	0	0
Gary Piro	Fire Chief	0	370	0

*Directors receive no compensation or benefits for their services.

**Volunteers are paid \$10 for each fire meeting and fires attended during the year

See accompanying notes and Independent Accountant's Review Report.

COMPLIANCE REPORTING

MANGHAM FIRE PROTECTION DISTRICT #4
MANGHAM, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

There were no findings to be reported.

MANGHAM FIRE PROTECTION DISTRICT #4
MANGHAM, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Section I - Financial Statement Findings

No findings were reported under this section.

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of the Mangham Fire Protection District #4 and
the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Mangham Fire Protection District #4 and the Louisiana Legislative Auditor (the specified parties), on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated 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:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

One expenditure was made during the year for materials and supplies exceeding \$30,000, and no expenditures were made for public works exceeding \$154,450. This expenditure was made under State contract for a lease agreement to purchase a new fire truck.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided me with the requested information.

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

No employees were paid during the year.

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

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2.

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

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

Budgeting

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

Management provided me with a copy of the original budget. Management represented that there was one amendments to the budget during the year.

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

I traced adoption of the original budget to documentation in the minutes of the meeting of the District's commissioners held on June 26, 2018. The amended budget was adopted in the minutes for June 24, 2019. Management represented that there was one amendment to the budget during the year.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted revenues. Expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

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

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

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

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

All of the disbursements were properly coded to the correct fund and general ledger account.

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

The District does not have a policy to approve all disbursements, but the checks are signed by a board member and documentation is reviewed then.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management represented that the District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. The District complied with this requirement.

Debt

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

I scanned copies of all bank deposit slips for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness. The District did enter into a lease agreement for the purchase of a new fire truck. The agreement was entered into under State contract.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

There are no payroll payments made. I found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

State Audit Law

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

The District's report was submitted timely.

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

Management represented that the District entered into one contract during the fiscal year that was subject to the public bid law, but was purchased under State contract so bids were not required.

Prior-Year Comments

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

This is the first year the District was required to have a review. There were no prior year exceptions or recommendations.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the District's compliance with the foregoing matters. 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 the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

David M. Smith, CPA (APPIC)

West Monroe, Louisiana
September 24, 2019

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana government agencies. Upon completion, the questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected governmental officials should sign the document, in lieu of such a resolution.

The completed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to my office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

June 12, 2019

David M. Hartt, CPA (APAC)
PO Box 1332
West Monroe, LA 71294

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

These representations are based on the information available to us as of June 12, 2019

Public Bid Law

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

Yes No

Code of Ethics for Public Officials and Public Employees

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

Yes No

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

Yes No

Budgeting

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

Yes No

Accounting and Reporting

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

Yes No

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

Yes No

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

Yes No

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

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No

Debt

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

Yes [X] No []

Advances and Bonuses

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

Yes [X] No []

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

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
<i>John J. Anderson</i> Chairman	President	6-12-19	Date