

Claiborne Parish Fire Protection District No. 3  
Haynesville, Louisiana

Annual Financial Statements  
For the Year Ended December 31, 2019

Claiborne Parish Fire Protection District No. 3

Annual Financial Statements  
For the Year Ended December 31, 2019  
With Supplemental Information Schedules

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# **WADE & PERRY**

**Certified Public Accountants**  
**A Professional Accounting Corporation**  
**Members: AICPA/ Society of LCPA's**

## **Independent Accountant's Review Report**

Claiborne Parish Fire Protection District No. 3  
Haynesville, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and major fund of the Claiborne Parish Fire Protection District No. 3 ("District"), 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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, we 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 the financial statements that are free from material misstatement whether due to fraud or error.

### ***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our report.

### ***Accountant's Conclusion***

Based on our review, we are 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***

#### ***Supplementary information***

The Schedule of compensation, benefits, and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are 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. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information is presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 responsibility of management. We have reviewed the information and, based on our review, we are 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. We have not audited the information and, accordingly, do not express an opinion on such information.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United State of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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 content.

Other Reporting Requirements

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated May 26, 2020, on the results of our agreed-upon procedures.

*Wade & Perry*

Ruston, Louisiana  
May 26, 2020

Claiborne Parish Fire Protection District No. 3  
Statement of Net Position  
December 31, 2019

## ASSETS

Cash and equivalents	\$626,340
Receivables	206,689
Capital assets (net)	<u>346,594</u>
TOTAL ASSETS	<u>\$1,179,623</u>

## LIABILITIES

Accounts payable	\$7,787
Withholdings payable	<u>7,998</u>
TOTAL LIABILITIES	<u>15,785</u>

## NET POSITION

Prior Period Adjustment	0
Net investment in capital assets	346,594
Unassigned	<u>817,244</u>
TOTAL NET POSITION	<u>\$1,163,838</u>

See accompanying notes and independent accountants' review report.

Claiborne Parish Fire Protection District No. 3  
Statement of Governmental Fund Revenues,  
Expenditures, and Changes in Fund Balances/  
Statement of Activities  
For the Year Ended December 31, 2019

Public safety:	
Personal services	\$24,100
Operating services	104,980
Materials and supplies	38,904
Travel and other charges	2,066
Intergovernmental	7,778
Depreciation expense	43,559
Total Expenditures/Expenses	<u>221,387</u>
General Revenues	
Ad valorem taxes	226,856
Fire insurance rebate	20,498
Interest earned	1,062
Other revenues	876
State grant	0
Special items - gain on disposal of assets	0
Total General Revenues	<u>249,292</u>
Change in Net Position	27,905
Beginning of Year	<u>1,135,933</u>
End of Year	<u>\$1,163,838</u>

See accompanying notes and independent accountants' review report.

Claiborne Parish Fire Protection District No. 3  
Balance Sheet, General Fund  
December 31, 2019

## ASSETS

Cash and cash equivalents	\$626,340
Receivables - ad valorem taxes	<u>206,689</u>
TOTAL ASSETS	<u>\$833,029</u>

## LIABILITIES AND FUND EQUITY

## Liabilities -

Accounts payable	7,787
Withholdings payable	<u>7,998</u>
TOTAL LIABILITIES	15,785
Fund equity - fund balance - unassigned	<u>817,244</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$833,029</u>

See accompanying notes and independent accountants' review report.



Claiborne Parish Fire Protection District No. 3  
 Reconciliation of The Governmental Funds Balance Sheet  
 to The Government-Wide Financial Statement of Net Position  
 December 31, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances, Total governmental funds (Statement C)		\$817,244
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	1,934,440	
Less accumulated depreciation	<u>(1,587,846)</u>	<u>346,594</u>
Total Net Position of Governmental Activities (Statement A)		<u>\$1,163,838</u>

See accompanying notes and independent accountants' review report.

Claiborne Parish Fire Protection District No. 3  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - General Fund  
For the Year Ended December 31, 2019

<b>REVENUES</b>	
Ad valorem taxes	\$226,856
Intergovernmental - fire insurance rebate	20,498
Interest earned	1,062
Other revenues	876
Total Revenues	<u>249,292</u>
<b>EXPENDITURES</b>	
Public safety:	
Personal services	24,100
Operating services	104,979
Materials and supplies	38,904
Travel and other charges	2,066
Capital outlay	53,574
Intergovernmental	7,778
Total Expenditures	<u>231,401</u>
Excess (Deficiency) of Revenues over Expenditures	17,891
Fund Balances – beginning	799,353
Prior period adjustment	0
Fund Balances – ending	<u><u>\$817,244</u></u>

See accompanying notes and independent accountants' review report.

Claiborne Parish Fire Protection District No. 3  
 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

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental funds (Statement E)	\$17,891
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Some revenues reported in the statement of activities are not available as current financial resources and, therefore are not reported as revenues in the governmental fund.	0
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$53,573) exceeded depreciation (\$43,559) in the current period.

	<u>10,014</u>
Change in Net Position of Governmental Activities, Statement B	<u><u>\$27,905</u></u>

See accompanying notes and independent accountants' review report.

Notes to the Financial Statements

Claiborne Parish Fire Protection District No. 3  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Claiborne Parish Fire Protection District No. 3 ("District") was created by the Claiborne Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on June 7, 1990. The district is governed by a five member board, appointed by the police jury. Board members serve without compensation. The district is responsible for collecting an ad valorem tax within the boundaries of the district and for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

The accompanying financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June, 1999.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Claiborne Parish Police Jury is the financial reporting entity for Claiborne Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

Because the police jury created the district, appoints certain commissioners, and has the ability to impose its will on the district, the district was determined to be a component unit of the Claiborne Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Claiborne Parish Fire Protection District No. 3  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2019

B. Basic Financial Statements - Government-Wide

The district's basic financial statements include both government-wide (reporting the district as a whole) and fund financial statements (reporting the district's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the district are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the district.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The district first uses restricted resources to finance qualifying activities.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the district's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the district's general revenues.

Allocation of Indirect Expenses - The district reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the district are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the district. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the

Claiborne Parish Fire Protection District No. 3  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2019

public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The district's current operations require the use of only governmental funds. The governmental fund type used by the district is described as follows:

Governmental Fund Type - General Fund - The General Fund is the principal fund of the district and is used to account for the operations of the district's office. The various fees and charges due to the district's office are accounted for in this fund. General operating expenditures are paid from this fund.

#### D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The district considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

#### Revenues

Ad valorem taxes are budgeted in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Claiborne Parish Fire Protection District No. 3  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2019

Other intergovernmental revenues are recorded when the district is entitled to the funds.

Interest income on demand deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, ad valorem taxes and other intergovernmental revenues have been treated as susceptible to accrual.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**E. CASH AND CASH EQUIVALENTS**

Under state law, the fire district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2019, the fire district has cash and cash equivalents (book balances) totaling \$626,340.

**Custodial Credit Risk:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed 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. 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 fire district that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Fire District's name.

Cash and cash equivalents (bank balances) at December 31, 2019, are secured as follows:

Bank balances	<u>\$632,803</u>
Federal deposit insurance	\$250,000
Pledged securities (uncollateralized)	<u>720,197</u>
Total	<u>\$970,197</u>

**F. RISK MANAGEMENT**

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the police jury maintains coverage on the fire district. The policy covers general liability, property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2019.



Claiborne Parish Fire Protection District No. 3  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2019

G. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

*Nonspendable* - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

*Restricted* - represents balances where constraints have been established by parties outside the District's office or imposed by law through constitutional provisions or enabling legislation.

*Committed* - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority.

*Assigned* - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

*Unassigned* - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$817,244, If applicable, the District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Claiborne Parish Fire Protection District No. 3  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2019

H. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally 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.

2. LEVIED TAXES

The district is authorized to levy a maximum tax of 10.00 mills on property within the boundaries of the district for maintenance and operation of the district. The district levied 11.17 mills for 2019. The tax was renewed and will expire with the 2019 tax roll.

The difference between authorized and levied millage is the result of reassessments of taxable property in the parish, as required by Article VII, Section 18 of the Louisiana Constitution of 1974, The following are the principal taxpayers for the parish and their 2019 assessed valuation (amounts expressed in thousands).

Taxpayer	Assessed Valuation	% of Total Assessed Valuation
Urban Oil & Gas	3,518,550	17.32%
Mid-Valley Pipeline Co	2,552,232	12.57%
Vanguard Operating	1,823,184	8.98%
Will Energy Corp	1,315,088	6.48%
XTO Energy	1,292,428	6.36%
B&N Contractors LLC	1,148,840	5.66%
DCP Midstream LP	1,121,575	5.52%
Total	<u>12,771,897</u>	<u>62.89%</u>

3. CAPITAL ASSETS

The following presents the changes in capital assets for the year ended December 31, 2019:

Balance, January 1, 2019	\$1,880,867
Additions	53,573
Deletions	<u>(120,042)</u>
Balance, December 31, 2019	<u>1,814,398</u>
Less Accumulated depreciation	<u>(1,467,804)</u>
Net capital assets	<u>\$346,594</u>

4. PENSION PLANS

The district does not participate in any pension or retirement plans. Employees are subject to social security withholdings.

Claiborne Parish Fire Protection District No. 3  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2019

5. LITIGATION AND CLAIMS

The District is not involved in any litigation at December 31, 2019, nor is it aware of any unasserted claims.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of insurance.

7. DATE OF MANAGEMENT REVIEW

Subsequent events have been evaluated through May 26, 2020, the date which the financial statements were available to be issued.

OTHER SUPPLEMENTAL SCHEDULES

Claiborne Parish Fire Protection District No. 3  
Schedule of Compensation, Benefits and Other Payments  
to Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2019

Schedule I

Agency Head Name: George West Ogden, Board President

Purpose	Amount
Volunteer fireman reimbursement	\$1,076

See independent accountants' review report.

Claiborne Parish Fire Protection District No. 3  
Schedule of Compensation Paid Commissioners  
For the Year Ended December 31, 2019

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The commissioners receive no compensation for meetings.

See independent accountants' review report.

REQUIRED SUPPLEMENTAL INFORMATION

Claiborne Parish Fire Protection District No. 3  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balances - Budget and Actual (Budgetary Basis)  
 For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad valorem taxes	\$250,000	\$250,000	\$226,856	(\$23,144)
Intergovernmental - fire insurance rebate	20,000	20,000	20,498	498
Use of money and property			1,062	1,062
Miscellaneous revenues			876	876
Total Revenues	<u>270,000</u>	<u>270,000</u>	<u>249,292</u>	<u>(20,708)</u>
EXPENDITURES				
Public safety:				
Personal services and related benefits	40,000	40,000	24,100	15,900
Operating services	96,000	96,000	104,979	(8,979)
Materials and supplies	38,000	38,000	38,904	(904)
Travel and other charges	6,000	6,000	2,066	3,934
Capital outlay	90,000	90,000	53,574	36,426
Intergovernmental			7,778	(7,778)
Total Expenditures	<u>270,000</u>	<u>270,000</u>	<u>231,401</u>	<u>38,599</u>
Excess (Deficiency) of Revenues over (under) Expenditures	0	0	17,891	17,891
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>799,353</u>	<u>799,353</u>
Fund Balance (Deficit) at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$817,244</u>	<u>\$817,244</u>

See accompanying note to budgetary comparison schedule.



Fire Protection District No .6 of Claiborne Parish  
Haynesville, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE

The proposed budget for the for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district and amended during the year, as necessary. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts for the year ended December 31, 2019. There were no budget amendments for the year.

# WADE & PERRY

Certified Public Accountants  
A Professional Accounting Corporation  
Members: AICPA/ Society of LCPA's

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

Board of Commissioners  
Claiborne Parish Fire Protection District No. 3  
Haynesville, LA

We have performed the procedures enumerated below, which were agreed to by Claiborne Parish Fire Protection District No. 3, 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 December 31, 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, we 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.

*Public Bid Law*

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

There were no purchases for materials and supplies and public works made during the year within the above scope.

*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 LRS 42:1101-1124 (the ethics law).

Management provided us with the required information.

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

Management provided us with the required information.

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 for agreed-upon procedure (3) appeared on the list 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. One exception noted.

#### *Budgeting*

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

Management provided us with a copy of the original budget. There were no budget amendments.

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.

We traced the adoption of the original budget to documentation in October, 2018.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenses. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Budgeted revenues exceeded actual revenues for 2019 by more than 5%. Actual expenditures did not exceed budgeted expenditures. Under GASB 14 the Claiborne Parish Fire Protection District is considered a component unit of the Claiborne Parish Police Jury and would be reported as a special revenue fund in the police jury's financial statements. LRS 39:1311 exempts amendments to special revenue funds if less than \$500,000.

#### *Accounting and Reporting*

9. Obtain the list of all disbursements made during the fiscal year. Randomly select 6 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 payee in the supporting documentation;  
Each of the 6 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 6 disbursements were properly coded to the correct fund and general ledger accounts.

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

All 6 disbursements were approved in accordance with management's policies and procedures.

#### *Meetings*

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

The District has asserted that it has complied with the open meetings law.

### *Debt*

11. Obtain bank deposits slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits appear to be proceeds of banks 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.

We inspected copies of all bank statements for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### *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, advance or gifts.

We found no payments or approval for payments to any individuals which would constitute bonuses, advance 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 to the Legislative Auditor before the statutory due date of June 30, 2020.

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).

The District did not enter into any contracts during the test period.

### *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.

The prior year report, dated August 13, 2019, included one finding regarding late report submission.

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 engagement contain in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely to describe the scope and 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.

*Wade S. Perry*

Ruston, Louisiana  
May 26, 2020

Claiborne Parish Fire Protection District No. 3  
Summary of Prior Year Findings  
For the Year Ended December 31, 2019

Finding #2018-001

Failing to file financial statements pursuant to RS 24:513B(3)

Status: Resolved

Claiborne Parish Fire Protection District No. 3  
Management Letter  
For the Year Ended December 31, 2019

2019-001. Two council members have outside business interest with which the District had business dealings.

Condition: Violation of Article VII, Section 14.

Criteria: Article VII, Section 14 states in part “funds, credit, property, or things of value shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.”

Cause: The disbursement to the council members’ outside business interest violates Article VII, Section 14.

Effect: Violation of Article VII, Section 14.

Recommendation: Management should only spend funds on the public purpose of the district and have no business transactions with council members’ outside business interest to refrain from violating this article.

Claiborne Parish Fire Protection District No. 3  
Management's Response  
For the Year Ended December 31, 2019

The following is our response to the management letter issued to us by the firm Wade & Perry, CPAs for the year ended December 31, 2019:

Management agrees with the recommendation but the outside business interest approached the District. The owner (not the operator) of the outside business interest heard that the District was looking for some property and he made us an offer on that land. They had moved their trucking outfit to a new location just down the road.



**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

5-26-2020 (Date Transmitted)

Wade and Perry CPAs (CPA Firm Name)  
116 N. Pincrest Drive (CPA Firm Address)  
Ruston LA 71038 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 5-26-2020 (date) 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.

**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 did not enter 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).

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  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  No

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.  
Yes  No

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.  
Yes  No

We have evaluated our compliance with these laws and regulations prior to making these representations.  
Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.  
Yes  No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.  
Yes  No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants 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 your report.  
Yes  No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.  
Yes  No

The previous responses have been made to the best of our belief and knowledge.

*[Signature]*  
Hope Inlet  
George W Ogh

Secretary 5/11/2020 Date  
Treasurer 5/11/2020 Date  
President 5/11/2020 Date