

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE**

**LIVONIA & FORDOCHE, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2019**

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
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## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana, (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## INDEPENDENT AUDITOR'S REPORT (continued)

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Fire Protection District No. 4 of the Parish Pointe Coupee, Louisiana as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 27 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Taxable Property Valuations and Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2020 on our consideration of Fire Protection District No. 4 of the Parish of Pointe Coupee's internal control over financial reporting and on our tests of its compliance with certain provisions, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
June 26, 2020

## **MANAGEMENT'S DISUSSION AND ANALYSIS**

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

As management of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana, we are pleased to provide an overview of our financial activities for the year ended December 31, 2019. The intended purpose of the Management's Discussion and Analysis (MD&A) is to provide an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions. The MD&A provides an easily readable summary of operating results and reasons for changes that will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, adherence to budget, service levels, limitations, significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior year data in this analysis, we will be drawing upon information from last year's audited financial report.

**FINANCIAL HIGHLIGHTS**

- The District's net position increased by \$62,888 from \$2,954,091 in 2018 to \$3,016,979 in 2019.
- Ad valorem taxes increased from \$847,100 in 2018 to \$866,670 in 2019.
- Revenues from the quarter cent sales tax decreased by \$1,951 from \$172,360 in 2018 to \$170,409 in 2019.
- Cash and cash equivalents increased by \$60,647 for the year ended December 31, 2019.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other required supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The Government-Wide Financial Statements, presented on pages 10 and 11, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The District's Government-Wide Financial Statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District's sole operation of fire protection is classified as governmental activities.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund which is categorized as a governmental fund.

Governmental funds, presented on pages 12 through 14, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget. A budgetary comparison schedule has been provided for the District's operations.

**Notes to the Financial Statements**

The notes, presented on pages 15 through 26, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning the District's budgetary control, on page 28. A tabulation of taxable property is presented on page 30 as supplementary information to assist the reader in understanding the economic growth of the District and the effect it has on operations and fire protection ratings.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At the end of the most recent year, the assets of the District exceeded its liabilities by \$3,016,979.

The District's net position is mainly composed of \$1,638,959 net invested in capital assets (land, buildings, vehicles and equipment, etc.). The District uses these capital assets to provide fire protection services to residents and businesses that encompass the area from the parish line at west Baton Rouge to the middle of the Atchafalaya River at the St. Landry Parish Line from the Iberville Parish line near north Maringouin along Highway 77 to Highway 10 and along Highway 78 to the BP Amoco Plant. Protection is also provided inside the corporate limits of the Town of Livonia and the Village of Fordoche. Consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position, \$1,378,020, may be used to meet the District's future operations.

**SUMMARY OF NET POSITION**

	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 1,541,466	\$ 1,321,326
Capital assets	1,638,959	1,866,039
Total assets	<u>3,180,425</u>	<u>3,187,365</u>
Current and other liabilities	163,446	59,444
Noncurrent liabilities	-	173,830
Total liabilities	<u>163,446</u>	<u>233,274</u>
Net position -		
Net invested in capital assets	1,638,959	1,866,039
Unrestricted	1,378,020	1,088,052
Total net position	<u>3,016,979</u>	<u>2,954,091</u>



**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The District's total revenues increased by \$55,664 from \$1,074,908 in 2018 to \$1,130,572 in 2019.

Total expenses increased by \$66,797 from \$1,000,887 in 2018 to \$1,067,684 in 2019. This is due to an increase in salaries in 2019 and an increase in vehicle maintenance and building maintenance in 2019. From the proceeds of the revenues, the District spent \$367,354 on salaries for part time-time firemen to man the fire stations for the protection of the District.

<b>Changes in Net Position</b>		
	Governmental Activities	
	2019	2018
Revenues:		
Taxes	\$ 1,037,079	\$ 1,019,460
Intergovernmental revenues	45,558	23,282
Interest income and other revenue	47,935	32,166
Total Revenues	1,130,572	1,074,908
Expenses:		
Operating	815,335	745,870
Depreciation	252,349	255,017
Total Expenses	1,067,684	1,000,887
Change in Net Position	62,888	74,021
Beginning Net Position	2,954,091	2,880,070
Ending Net Position	\$ 3,016,979	\$ 2,954,091

**GOVERNMENTAL FUND FINANCIAL ANALYSIS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

The net position of the District decreased by \$11,133 during the current year.

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BUDGETARY HIGHLIGHTS**

The District's annual budget is the legally adopted expenditure control document of the District. A budgetary comparison statement is required and can be found on page 28. This statement compares the original adopted budget, the budget if amended throughout the year, and the actual expenditures prepared on a budgetary basis.

Actual revenues of \$1,130,572 exceeded budgeted revenues of \$917,050 by \$213,522, while budgeted expenditures of \$938,375 exceeded actual expenditures of \$905,143 by \$33,232.

**CAPITAL ASSETS**

At December 31, 2019 and 2018, the District had \$1,638,959 and \$1,866,039, respectively, invested in a broad range of capital assets, including land, buildings, vehicles, and equipment. Further detail on capital assets is presented in Note C on page 22.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The District serves a population estimated at over 4,500 and two incorporated areas – Fordoche and Livonia. With the passage of a .25% sales tax in 2007, the District has attained a PIAL-in Rating of 3 and a PIAL-Out Rating of 4. The attainment of these low ratings brings increased operating costs and new requirements mandated by the State Fire Marshall. These items made it necessary for management to consider these factors in making future budget projections. Consequently, management has projected budget operations to December 31, 2019. Long range projections assist management in evaluating net acquisitions or replacements to keep the fire insurance rating at a level that will return fire protection and an economic benefit to its taxpayers.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. If you have questions about this report or need additional financial information, contact Renee Cashio, Secretary of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana at (225) 637-3834.

## **BASIC FINANCIAL STATEMENTS**

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 702,154
Receivables:	
Ad valorem taxes	797,786
Sales taxes	13,613
State revenue sharing	4,530
Prepaid expense	90
Prepaid insurance	23,293
Capital assets (net of accumulated depreciation):	
Land	131,000
Buildings	373,837
Firefighting equipment and tools	105,063
Fire hydrants and water supply lines	33,349
Radios and paging equipment	47,532
Vehicles	728,472
Medical equipment	206,471
Health and wellness equipment	303
Furniture, fixtures, and equipment	12,932
<b>TOTAL ASSETS</b>	<u>\$ 3,180,425</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 3,765
Accrued wages payable	14,350
Deduction from ad valorem taxes	36,040
Noncurrent liabilities:	
Due within one year	109,291
Due in more than one year	-
<b>TOTAL LIABILITIES</b>	<u>163,446</u>
<b>NET POSITION</b>	
Net invested in capital assets	1,638,959
Unrestricted	1,378,020
<b>TOTAL NET POSITION</b>	<u>\$ 3,016,979</u>

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2019

	<u>Program Revenues</u>			Net Governmental Activities
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Public safety	\$ 1,067,684	-	-	\$ (1,067,684)
Total Governmental Activities	<u>\$ 1,067,684</u>	<u>-</u>	<u>-</u>	<u>(1,067,684)</u>
General Revenues:				
Taxes:				
				866,670
				170,409
				45,558
				12,680
				<u>35,255</u>
				<u>1,130,572</u>
				62,888
				<u>2,954,091</u>
				<u>\$ 3,016,979</u>

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUND - GENERAL FUND  
DECEMBER 31, 2019

	<b>General Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 702,154
Receivables:	
Ad valorem taxes	797,786
Sales taxes	13,613
State revenue sharing	4,530
Prepaid expenses	90
Prepaid insurance	23,293
<b>TOTAL ASSETS</b>	<b>\$ 1,541,466</b>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 3,765
Accrued wages payable	14,350
Deduction from ad valorem taxes	36,040
<b>Total Liabilities</b>	<b>54,155</b>
<b>Fund Balance:</b>	
Nonspendable: prepaid	23,293
Unassigned	1,464,018
<b>Total Fund Balances - Governmental Fund</b>	<b>1,487,311</b>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	1,638,959
Long-term liabilities of governmental funds, including capital leases and notes payable are not due and payable in the current period and, therefore, are not reported in the funds.	(109,291)
<b>Net position of governmental activities</b>	<b>\$ 3,016,979</b>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND TYPE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**REVENUES**

Taxes -		
Ad valorem taxes	\$	866,670
Sales taxes		170,409
Intergovernmental revenues -		
Grant income		22,605
State fire insurance rebate		16,157
State revenue sharing		6,796
Miscellaneous revenues -		
Interest income		12,680
Other		35,255
<b>TOTAL REVENUES</b>		<u>1,130,572</u>

**EXPENDITURES**

Current operations -		
Salaries		367,354
Payroll taxes		5,630
Deferred compensation		21,978
Professional fees		17,083
Tax collector fees		36,040
Computer services		15,654
Dispatch		23,025
Vehicle maintenance		85,326
Equipment maintenance		14,724
Building maintenance		35,383
Uniforms and protective gear		8,899
Supplies and small tools		40,512
Utilities		13,684
Telephone		4,081
Insurance		80,068
Training and fire prevention		33,550
Supplies, postage and printing		2,037
Dues and subscriptions		2,293
Fire prevention materials		152
Miscellaneous		2,401
Capital outlays -		
Buildings		5,498
Medical equipment		19,771
Debt service -		
Principal retirement		64,539
Interest expense		5,461
<b>TOTAL EXPENDITURES</b>		<u>905,143</u>

**EXCESS (DEFICIENCY) OF REVENUES  
OVER EXPENDITURES** 225,429

**FUND BALANCE AT BEGINNING OF YEAR** 1,261,882

**FUND BALANCE AT END OF YEAR** \$ 1,487,311

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

Amounts reported for governmental activities are different because:

<b>Net change in fund balances - total governmental funds (page 13)</b>	\$	225,429
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$252,349) exceeded capital outlays (\$25,269) in the current period.		(227,080)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental activities. Neither transaction, however, has any effect on net position.		
Debt payments	\$64,539	64,539
<b>Change in net position of governmental activities (page 11)</b>	<b>\$</b>	<b>62,888</b>

The accompanying notes are an integral part of this statement.



**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Fire Protection District No. 4 of the Parish of Pointe Coupee (the "District") was created by a resolution of the Pointe Coupee Parish Police Jury in 1981. The District operates under a commission form of government and provides fire protection services to all the territory situated within the limits of Pointe Coupee Election Districts 10 and 11. The Election Districts were constituted in 1981, and it was created in accordance with the authority of LRS 40:1494, and Article VI, Section 19 of the Constitution of the State of Louisiana for the year 1974 and other constitutional and statutory authority supplemental thereto and Local Services Agreements entered into by this Police Jury, the Mayor and Board of Aldermen of the Town of Livonia, and the Mayor and Board of Aldermen of the Town of Fordoche, Louisiana.

**Reporting Entity**

As stated previously, the District was created by a resolution of the Pointe Coupee Parish Police Jury in 1981 and is a political subdivision of the Pointe Coupee Parish Police Jury. In accordance with LRS 40:1494, the District is managed by a board of five commissioners. Two commissioners are appointed by the Pointe Coupee Parish Police Jury, one appointed by the Town of Livonia, and one appointed by the Town of Fordoche. These four commissioners then appoint the fifth to act as chairperson.

Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34*, established criteria for determining the 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 Pointe Coupee Parish Police Jury. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the District.

**Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the District as a whole) 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 non-fiduciary activities of the primary government and its component units. 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 previous reporting model emphasized fund types (the total of all funds of a particular type), and in the reporting model as defined by GASB Statement No. 34, the focus is either the District as a whole or major individual funds (within the fund financial statements).

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. 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 activity, (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity, and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, intergovernmental revenues, interest income, etc.).

Separate fund based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The only major governmental fund is the general fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds.

**Measurement Focus and Basis of Accounting**

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government fund level 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 collected 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. The grant revenue availability period is generally considered to be one year. Expenditures generally are recorded when the 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 the liability has matured and payment is due.

Ad valorem tax revenues in the General Fund are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is not considered material. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if susceptible to accrual criteria are met.

The following major fund is used by the District in its governmental funds:

- General Fund accounts for the District's primary public safety service and is the primary operating unit of the District.

GASB No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained, and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Position.

**Assets, Liabilities, Net Position, and Fund Balances**

**Cash and Cash Equivalents**

Cash and cash equivalents include demand deposits and money market accounts. Under state law, the District may deposit funds in demand deposits, money market accounts, or time deposits with a bank organized under Louisiana law, or of any other state of the United States, or under the laws of the United States.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

State statutes authorize the District to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. Cash deposits are reported at carrying amount which reasonably estimates fair value.

Receivables

Receivables consist of all revenues earned at year-end and not yet received.

Inventories

Purchases of operating supplies by governmental fund types are recorded as expenditures when purchased; inventories of such supplies are not recorded and are not considered by management to be material. Inventory is stated at the lower of cost or market.

Capital Assets and Depreciation

The District's property and equipment with useful lives of more than one year are capitalized at historical cost or estimated historical cost. The District's policy has set the capitalization threshold for reporting capital assets at \$500. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Uniforms and protective gear which are susceptible to excessive wear and tear and fire code regulations are expensed when incurred.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Capital assets are depreciated using the straight-line method over the estimated useful lives, in years, for depreciable assets as follows:

Buildings	40 years
Vehicles	15 years
Firefighting equipment and tools	10 years
Radios and paging equipment	10 years
Fire hydrants and water supply lines	25 years
Furniture, fixtures, and office equipment	5 & 12 years
Health and wellness equipment	10 years

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2019, there were no amounts considered to be uncollectible.

Long-term Liabilities

In the government-wide financial statements, long-term debt is reported as a liability in the applicable governmental activities statement of net position.

In the government funds financial statements, the face amount of debt is reported as other financing sources. Interest and principal payments are reported as debt service expenditures.

Net Position

In the Statement of Net Position, the difference between the District's assets and liabilities is recorded as net position. The three components of net position are as follows:

- Net invested in capital assets – This category consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances on any bond, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – This category consists of net position with constraints place on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted net position – This category represents all net position that does not meet the definition of "restricted" or "net invested in capital assets."

Fund Balance

In the fund financial statements, fund balance of the governmental funds are classified as follows:

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

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Restricted – Amounts that can only be spent for specific purposes because of constitutional provisions or enabling legislation or because constraints are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments,
- Committed – Amounts that can be used only for specific purposes determined by a formal action of the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the District.
- Assigned – Amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes.
- Unassigned – All other spendable amounts.

As of December 31, 2019, all fund balances were designated as nonspendable (\$23,293) and unassigned (\$1,464,018).

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will *not* be recognized as an outflow of resources (expenses) until that future period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will *not* be recognized as an inflow of resources (revenue) until that future period.

**Use of Estimates**

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

**Sales Tax**

Fire Protection District No. 4 of the Parish of Pointe Coupee accounts for the collection of the 2% Policy Jury Sales Tax from the Pointe Coupee Parish Tax Collector. The District receives 5% of the 2% Police Jury Sales Tax. For the year ended December 31, 2019, the amount of sales tax received by the District was \$170,409.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgetary Information**

Policy and Practice

The Chairman submits an annual budget for the General Fund by Fire Station to the Board in accordance with the Louisiana Local Government Budget Act. The budget is presented to the Board for review, and public hearings are held to address the proposed appropriations. Once approved, and adopted by the Board, the Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Basis of Budgeting

The General Fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by function. Budget revisions at this level are subject to final review by the Board. The legal level of control is by function within the General Fund. Expenditures may not exceed appropriations at this level. Revisions to the budget were made throughout the year.

The General Fund budget is prepared on the modified accrual basis. The budget and actual financial statement is reported on this basis. Unencumbered appropriations for annually budgeted funds lapse at the fiscal year-end.

**NOTE B – CASH AND CASH EQUIVALENTS**

At December 31, 2019, the status of deposited funds and collateralized balances are as follows:

	<u>Bank Balances 12/31/19</u>	<u>FDIC Insurance</u>	<u>Balances Uninsured</u>
Cash	\$ 729,260	\$ 250,000	\$ 479,260
Uncollateralized-- Securities pledged and held by custodial banks in the name of fiscal agent banks, at fair market value, at December 31, 2019			<u>851,816</u>
Excess of FDIC insurance and pledged securities over cash at December 31, 2019			<u>\$ 372,556</u>

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE B – CASH AND CASH EQUIVALENTS (CONTINUED)**

Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank.

**NOTE C – CAPITAL ASSETS**

A summary of changes in general fixed assets is as follows:

	<b>Balance 1/1/2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/2019</b>
Land	\$ 131,000	\$ -	\$ -	\$ 131,000
Buildings	675,921	5,498	-	681,419
Vehicles	2,567,368	-	-	2,567,368
Firefighting equipment and tools	833,390	19,771	-	853,161
Radios and paging equipment	822,001	-	-	822,001
Medical equipment	531,783	-	-	531,783
Furniture, fixtures, and equipment	84,735	-	-	84,735
Fire hydrant and water supply lines	126,486	-	-	126,486
Health and wellness equipment	2,279	-	-	2,279
<b>Total Capital Assets</b>	<b>\$ 5,774,963</b>	<b>\$ 25,269</b>	<b>\$ -</b>	<b>\$ 5,800,232</b>

	<b>Accumulated Depreciation Balance</b>			<b>Accumulated Depreciation Balance</b>		<b>Capital Assets Net of Accumulated Depreciation</b>
	<b>1/1/2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/2019</b>		
Land	\$ -	\$ -	\$ -	\$ -	\$	131,000
Buildings	290,504	17,078	-	307,582	\$	373,837
Vehicles	1,742,847	96,049	-	1,838,896	\$	728,472
Firefighting equipment and tools	707,640	40,458	-	748,098	\$	105,063
Radios and paging equipment	731,901	42,568	-	774,469	\$	47,532
Medical equipment	276,133	49,179	-	325,312	\$	206,471
Furniture, fixtures, and equipment	68,506	3,297	-	71,803	\$	12,932
Fire hydrant & water supply lines	89,645	3,492	-	93,137	\$	33,349
Health and wellness equipment	1,748	228	-	1,976	\$	303
<b>Total Accumulated Depreciation</b>	<b>\$ 3,908,924</b>	<b>\$ 252,349</b>	<b>\$ -</b>	<b>\$ 4,161,273</b>	<b>\$</b>	<b>1,638,959</b>



**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE C – CAPITAL ASSETS (CONTINUED)**

Depreciation for the year ended December 31, 2019 was \$252,349.

**NOTE D – LONG-TERM DEBT**

The summary of changes in governmental activities long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2019 is as follows:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Capital lease obligations:					
Republic First National Corporation	173,830	-	(64,539)	109,291	109,291
<b>Total Governmental Activities</b>	<b>\$ 173,830</b>	<b>\$ -</b>	<b>\$ (64,539)</b>	<b>\$ 109,291</b>	<b>\$ 109,291</b>

The debt outstanding at December 31, 2019 is as follows:

Republic First National Corporation

On March 13, 2017, the District entered into a capital lease agreement for the purchase of one new fire truck in the amount of \$337,735 which matures on February 1, 2022. Annual installments of \$51,535 were to be paid at an interest rate of 2.60%. In March 2020, the remaining balance of the capital lease obligation was paid.

\$ 109,291

Total Debt Outstanding at December 31, 2019

\$ 109,291

The annual debt service including interest of \$5,037 is as follows:

Year	Republic First National Corporation
2020	109,291
	<u>\$ 109,291</u>

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE E – AD VALOREM TAXES**

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings are to be assessed at 10% of "use" value; and all other property to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax District. The assessor is required to re-appraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Parish. By agreement, the Sheriff receives a commission of approximately 4.23%.

The millage rates are adopted in late October. The taxes are levied and notices are mailed out in mid-November of the year. All taxes are due by December 31st of the year and are delinquent on January 1st of the next year, which is also the lien date.

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date of December 31st, the taxes bear interest at one and one-fourth percent (1.25%) per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year in which they are levied and become due. The majority of the year's taxes are usually collected in November and December of the year. Any amounts not collected at December 31 are shown as accounts receivable.

For the year ended December 31, 2019, taxes of \$845,310 were levied on property with assessed valuations totaling \$77,480,210 at the rate of 10.91 mills for the following purposes: (1) maintaining and operating the District's fire protection facilities, (2) purchasing fire trucks and other firefighting equipment, (3) paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service, and (4) paying the cost of acquiring, improving, or constructing fire protection facilities of the Fire Protection District, constituting works of public improvement, title to which shall be in the public.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE F – DEFERRED COMPENSATION PLAN**

In January 2014, the District implemented a deferred compensation plan under Section 457 of the Internal Revenue Code for its employees. All employees of the District are required to participate in the deferred compensation plan. Employees are required to contribute a minimum of 3.0% of their gross compensation into the deferred compensation plan and may contribute a higher percentage of their gross compensation, if requested. The District provides a 6.0% contribution and does not match any additional employee contributions to the deferred compensation plan. Upon termination of employment, retirement, death, or the occurrence of an unforeseeable emergency, the employee (or their beneficiaries) may withdraw the contributions plus interest at a reasonable rate. Contributions made by the employee and the employer are managed by an independent third-party administrator selected by the District. The District's contributions to the deferred compensation plan for the years ended December 31, 2019, 2018, and 2017, were \$21,978, \$20,289, and \$21,108, respectively.

**NOTE G – RISK RETENTION**

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; employee medical insurance; and natural disasters. The District carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. There were no significant reductions in insurance coverage in 2019 from coverage in the prior year. Settled claims have not exceeded this commercial coverage in the past 3 fiscal years.

**NOTE H – LITIGATION AND CLAIMS**

There were no judgments, claims, or other similar contingencies pending against the District at December 31, 2019.

**NOTE I – COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Donald Chenevert	\$	-
Fred Gueho		-
Clevis Cormier		-
Charles Landry		-
Ronnie Barlow		-
	\$	-

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE J – RELATED PARTIES**

The Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana is a component unit of the Pointe Coupee Parish Police Jury, and may enter into transactions with related parties, including parish council members and the parish administrator. From knowledge obtained during the audit, no related party transactions have occurred between parish council members or the parish administrator of Pointe Coupee Parish.

**NOTE K – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED**

GASB Statement 87, *Leases*: This standard will require all leases to be reported on the statement of net positions under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases including those previously reported as operating leases. All leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. All of the District's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the District is unknown at this time.

**NOTE L – SUBSEQUENT EVENTS**

These financial statements considered subsequent events through June 26, 2020, the date the financial statements were available to be issued. In March 2020, the Fire District paid the remaining balance on the capital lease obligation for the fire truck that was set to be paid off in 2022.

As a result of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The Fire District is closely monitoring its financial statements for 2020 impacts.

**REQUIRED SUPPLEMENTARY INFORMATION**

**FIRE PROTECTION DISTRICT NO.4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Taxes -				
Ad valorem	\$ 725,000	\$ 725,000	\$ 866,670	\$ 141,670
Sales taxes	150,000	150,000	170,409	20,409
Intergovernmental revenues -				
Grant income	-	-	22,605	22,605
State fire insurance rebate	16,000	16,000	16,157	157
State revenue sharing	6,000	6,000	6,796	796
Miscellaneous revenues -				
Interest income	5,050	5,050	12,680	7,630
Other	15,000	15,000	35,255	20,255
<b>TOTAL REVENUES</b>	<u>917,050</u>	<u>917,050</u>	<u>1,130,572</u>	<u>213,522</u>
<b>EXPENDITURES</b>				
Current operations -				
Salaries	430,000	430,000	367,354	62,646
Payroll taxes	10,000	10,000	5,630	4,370
Deferred compensation	-	-	21,978	(21,978)
Professional fees	19,900	19,900	17,083	2,817
Tax collector fees	-	-	36,040	(36,040)
Dispatch	23,025	23,025	23,025	-
Computer services	17,000	17,000	15,654	1,346
Vehicle maintenance	42,000	42,000	85,326	(43,326)
Equipment maintenance	15,000	15,000	14,724	276
Building maintenance	35,000	35,000	35,383	(383)
Uniforms and protective gear	30,000	30,000	8,899	21,101
Supplies and small tools	45,000	45,000	40,512	4,488
Utilities	16,000	16,000	13,684	2,316
Telephone	5,000	5,000	4,081	919
Insurance	83,000	83,000	80,068	2,932
Training and fire prevention	45,000	45,000	33,550	11,450
Supplies, postage and printing	2,000	2,000	2,037	(37)
Dues and subscriptions	2,500	2,500	2,293	207
Fire prevention materials	5,000	5,000	152	4,848
Miscellaneous	2,100	2,100	2,401	(301)
Capital outlays -				
Buildings	-	-	5,498	(5,498)
Firefighting equipment and tools	27,325	27,325	19,771	7,554
Medical equipment	13,525	13,525	-	13,525
Debt service -				
Principal retirement	70,000	70,000	64,539	5,461
Interest expense	-	-	5,461	(5,461)
<b>TOTAL EXPENDITURES</b>	<u>938,375</u>	<u>938,375</u>	<u>905,143</u>	<u>33,232</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(21,325)	(21,325)	225,429	246,754
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,261,882</u>	<u>1,261,882</u>	<u>1,261,882</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,240,557</u>	<u>\$ 1,240,557</u>	<u>\$ 1,487,311</u>	<u>\$ 246,754</u>

**SUPPLEMENTARY INFORMATION**

**FIRE PROTECTION DISTRICT NO.4  
OF THE PARISH OF POINTE COUPEE  
LIVONIA & FORDOCHE, LOUISIANA  
TAXABLE PROPERTY VALUATIONS  
SINCE INCEPTION  
(UNAUDITED)**

<u>Year</u>	<u>Mills Levied</u>	<u>Assessed Value</u>	<u>Homestead Exemption</u>	<u>Tax to be Paid by Owner</u>	<u>Tax to be Paid by State</u>	<u>Total Tax</u>
1982	3.00	\$ 22,435,266	\$ 3,845,101	\$ 55,772	\$ 11,537	\$ 67,309
1983	3.00	24,265,476	3,965,946	60,900	11,900	72,800
1984	3.00	23,989,111	4,072,574	59,251	12,220	71,971
1985	3.00	26,956,547	4,181,788	68,326	12,547	80,873
1986	3.34	24,942,091	4,374,197	68,696	14,609	83,305
1987	3.34	25,357,580	4,397,197	70,007	14,686	84,693
1988	3.60	24,155,783	4,203,073	71,830	15,131	86,961
1989	3.60	24,489,906	4,307,573	72,656	15,507	88,164
1990	3.60	23,671,216	4,393,027	69,402	15,815	85,216
1991	3.60	24,546,980	4,468,982	72,281	16,088	88,369
1992	10.72	24,416,469	4,618,835	212,230	49,514	261,744
1993	10.31	24,753,536	4,753,918	206,197	49,015	255,212
1994	10.31	24,879,333	4,876,381	206,231	50,278	256,509
1995	10.31	26,360,828	5,026,631	219,957	51,827	271,783
1996	10.10	27,597,811	5,647,378	221,701	57,041	278,743
1997	10.10	28,848,919	5,882,582	231,962	59,417	291,379
1998	10.91	27,430,758	6,162,933	232,033	67,239	299,273
1999	10.91	29,060,127	6,379,115	247,451	69,598	317,050
2000	10.91	29,529,102	7,089,964	244,813	77,354	322,166
2001	10.91	30,439,289	7,328,324	252,142	79,954	332,096
2002	10.91	23,034,553	7,537,944	51,309	82,241	333,550
2003	10.91	23,800,929	7,731,604	259,670	84,354	344,024
2004	10.91	27,177,135	8,400,680	296,504	91,653	388,157
2005	10.91	29,342,595	8,606,150	320,130	93,895	414,024
2006	10.91	29,810,018	8,795,410	325,229	95,960	421,189
2007	10.91	31,506,615	8,947,680	343,739	97,621	441,360
2008	9.11	38,094,363	9,440,371	347,040	86,002	433,042
2009	9.11	40,643,479	9,679,321	370,263	88,179	458,442
2010	10.91	49,364,938	9,872,301	538,572	107,705	646,277
2011	10.91	48,869,249	9,976,861	533,163	108,846	642,009
2012	10.91	56,561,984	10,055,056	617,092	109,699	726,791
2013	10.91	61,539,464	10,078,246	671,396	109,953	781,349
2014	10.91	62,342,434	10,174,916	680,157	111,008	791,165
2015	10.91	67,993,739	10,188,451	741,813	111,155	852,968
2016	10.91	74,463,845	10,783,415	812,401	117,646	930,047
2017	10.91	70,855,275	10,810,085	773,031	117,936	890,968
2018	10.91	79,374,730	10,894,455	865,979	118,857	984,835
2019	10.91	77,480,210	10,810,625	845,310	117,942	963,252



SCHEDULE 2

FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2019

Agency Head: Paul A. Pinsonat

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 25,500
Benefits - insurance	-
Benefits - retirement	1,530
Car allowance	-
Travel	-
Registration fees	1,412
Conference Travel	3,120
Total	<u>\$ 31,562</u>

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

# BAXLEY AND ASSOCIATES, LLC

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Staci H. Joffrion, CPA/CGMA

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Hugh F. Baxley, CPA/CGMA/CVA – Retired

## SCHEDULE 3

Board of Commissioners  
Fire Protection District No. 4 of the  
Parish of Pointe Coupee  
Livonia & Fardoche, Louisiana

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States, the financial statements of the governmental activities of Fire Protection District No.4 of the Parish of Pointe Coupee, Louisiana (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 26, 2020.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as 2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
June 26, 2020

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana.
2. One significant deficiency relating to the audit of the financial statements is reported in the Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana were found.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2019-001 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH GAAP**

Condition:

The District does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a repeat finding.

Criteria:

Year-end adjusting journal entries were not made to the financial statements to ensure that the statements were prepared in accordance with generally accepted accounting principles.

Effect:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. AU-C 265 requires that we report the above condition as a control deficiency. This section does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying AU-C 265's reporting requirements. Prudent management requires that the potential benefit from an internal control must exceed its cost. It, therefore, may not be practical to correct all the deficiencies an auditor reports under AU-C 265. In this case we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

Management's Response:

Due to the small size of the organization, the District does not consider it economically feasible to hire an additional accountant to prepare year-end financial statements.

FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**2018-001 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE  
WITH GAAP**

Condition:

The District does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a repeat finding.

Recommendation:

Prudent management requires that the potential benefit from an internal control must exceed its cost. It, therefore, may not be practical to correct all the deficiencies an auditor reports under AU-C 265. In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

Current Status:

This is a repeat finding in the current audit year.

**FIRE PROTECTION DISTRICT NO. 4 OF  
THE PARISH OF POINTE COUPEE  
LIVONIA & FORDOCHE, LOUISIANA  
INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
FOR THE YEAR ENDED DECEMBER 31, 2019**



# BAXLEY AND ASSOCIATES, LLC

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To the Board of Commissioners  
Fire Protection District No. 4  
of the Parish of Pointe Coupee  
Livonia & Fordoche, Louisiana  
and the Louisiana Legislative Auditor's Office

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Fire Protection District No. 4 of the Parish of Pointe Coupee (the "District") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Fire Protection District No. 4 of the Parish of Pointe Coupee's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category for items a through j since there were no exceptions in prior years. Management agrees that procedures do not need to be performed in this category for items a through j.*

*No exceptions were noted as a result of applying the above procedure at item k.*

### ***Board (or Finance Committee, if applicable)***

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

#### *Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.*

### ***Bank Reconciliations***

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 2. Management agrees that procedures do not need to be performed in this category.*

**Collections**

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*Findings:*

*No exceptions were noted in applying the above procedure.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*Findings:*

*We received a listing of employees involved with non-payroll purchasing and payment functions. We obtained written policies in relation to the areas noted above.*

*There were no exceptions noted in categories (a) and (b).*

*There was an exception noted in category (c) where the employee responsible for processing payments is not prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor file and category (d) where the employee who is responsible for processing payments does mail checks.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Findings:*

*No exceptions were noted in applying the above procedure.*

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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

*Findings:*

*No exceptions were noted in applying the above procedure.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed

and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

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

*Findings:*

*No exceptions were noted in applying the above procedure.*

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

*Findings:*

*No exceptions were noted in applying the above procedure.*

### ***Travel Reimbursement***

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- 14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

### ***Contracts***

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- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an*

*equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

**Payroll and Personnel**

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*



18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

### **Ethics**

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

### **Debt Service**

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one

bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

**Other**

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

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Findings:*

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
June 26, 2020

**Fire Protection District No. 4  
of the Parish of Pointe Coupee**

**Management's Response to Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2019**

Management's Response to Items:

9. Due to the small size of the organization, it is difficult to have these segregations.