

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana**

**Basic Financial Statements
With Accountant's Review Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 2019**

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana

Basic Financial Statements
With Accountant’s Review Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 2019

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CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Contents, December 31, 2019

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Accountant's Review Report

BOARD OF COMMISSIONERS
CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana

I have reviewed the accompanying financial statements of the governmental activities and the major fund of the Claiborne Parish Fire Protection District No. 4, a component unit of the Claiborne 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 Claiborne Parish Fire Protection District No. 4's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Independent Accountants Review Report
December 31, 2019

Accountant's Conclusion

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

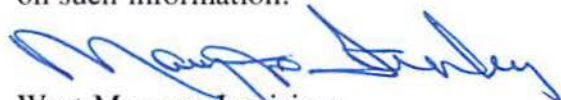
Other Matters

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head on page 30 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, analysis and budgetary comparison information as listed in the table of contents, are presented to supplement the basic financial statements. Such information, although not 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information, and accordingly, do not express an opinion on such information.



West Monroe, Louisiana
April 29, 2020

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Management's Discussion and Analysis
December 31, 2019

As management of the Claiborne Parish Fire Protection District No. 4, we offer readers of the Claiborne Parish Fire Protection District No. 4's financial statements this narrative overview and analysis of the financial activities of the Claiborne Parish Fire Protection District No. 4 for the fiscal year ended December 31, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Claiborne Parish Fire Protection District No. 4's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the district's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Claiborne Parish Fire Protection District No. 4's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Claiborne Parish Fire Protection District No. 4's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Claiborne Parish Fire Protection District No. 4 is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of 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 (for example, earned, but unused, sick leave).

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 Claiborne Parish Fire Protection District No. 4, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Claiborne Parish Fire Protection District No. 4 are governmental funds.

Governmental funds. Governmental funds 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 fiscal 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 impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Claiborne Parish Fire Protection District No. 4 adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Claiborne Parish Fire Protection District No. 4's performance.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Claiborne Parish Fire Protection District No. 4 exceeded liabilities by \$1,672,640. Approximately 42% of the Claiborne Fire Protection District No. 4's net assets reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the Claiborne Parish Fire Protection District No. 4 to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET ASSETS

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$683,645	\$832,712
Receivables	307,585	303,837
Capital assets (net of accumulated depreciation)	694,584	465,603
TOTAL ASSETS	<u>\$1,685,814</u>	<u>\$1,602,152</u>
LIABILITIES		
Accounts payable	\$12,632	\$13,200
Withholdings payable	542	414
TOTAL LIABILITIES	<u>13,174</u>	<u>13,614</u>
NET ASSETS		
Invested in capital assets, net of related debt	694,584	465,603
Unrestricted	978,056	1,122,935
TOTAL NET ASSETS	<u>\$1,672,640</u>	<u>\$1,588,538</u>

STATEMENT OF ACTIVITIES

	<u>2019</u>	<u>2018</u>
Taxation:		
Personal services	\$16,675	\$20,389
Operating services	85,532	87,695
Materials and supplies	8,356	7,041
Intergovernmental	36,256	36,269
Depreciation expense	132,562	89,233
Total Program Expenses	<u>279,381</u>	<u>240,627</u>
General revenues:		
Taxes - ad valorem	327,062	327,034
Fire insurance rebate	26,085	25,554
Interest earned	4,191	2,332
Other revenue	6,145	2,097
Total General Revenues	<u>363,483</u>	<u>357,017</u>
Change in Net Assets	84,102	116,390
Net Assets - Beginning of year	1,588,538	1,472,148
Net Assets - End of year	<u>\$1,672,640</u>	<u>\$1,588,538</u>

Financial Analysis of the Government's Funds

As noted earlier, the Claiborne Parish Fire Protection District No. 4 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2019, the general fund's governmental fund balances of \$978,056 showed a decrease of \$144,879 over December 31, 2018.

General Fund Budgetary Highlights

There were no budgets amendment for the current testing period.

Capital Asset and Debt Administration

Capital assets. The Claiborne Parish Fire Protection District No. 4's investment in capital assets for its governmental activities as of December 31, 2019, amounts to \$694,584 (net of accumulated depreciation). This investment includes buildings, vehicles, furniture and equipment. There were increases in capital outlay of \$361,543 and no decreases in capital assets for the year.

Long-term debt. The Claiborne Parish Fire Protection District No. 4's has no long-term debt outstanding at December 31, 2019.

Requests for Information

This financial report is designed to provide a general overview of the Claiborne Parish Fire Protection District No. 4's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Claiborne Parish Fire Protection District No. 4, P.O. Box 87, Homer, LA 71040.

April 29, 2020

BASIC FINANCIAL STATEMENTS

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana

STATEMENT OF NET ASSETS
December 31, 2019

ASSETS

Cash and cash equivalents	\$683,645
Receivables - ad valorem taxes	307,585
Capital assets (net of accumulated depreciation)	<u>694,584</u>
TOTAL ASSETS	<u>\$1,685,814</u>

LIABILITIES

Accounts payable	\$12,632
Withholdings payable	<u>542</u>
TOTAL LIABILITIES	<u>13,174</u>

NET ASSETS

Invested in capital assets, net of related debt	694,584
Unrestricted	<u>978,056</u>
TOTAL NET ASSETS	<u>\$1,672,640</u>

See accompanying notes and independent accountant's report.

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2019

Public safety:	
Personal services	\$16,675
Operating services	85,532
Materials and supplies	8,356
Intergovernmental	36,256
Depreciation expense	132,562
Total Program Expenses	<u>279,381</u>
General revenues:	
Taxes - ad valorem	327,062
Fire insurance rebate	26,085
Interest earned	4,191
Other revenues	<u>6,145</u>
Change in Net Assets	84,102
Net Assets - Beginning of year	<u>1,588,538</u>
Net Assets - End of year	<u><u>\$1,672,640</u></u>

See accompanying notes and independent accountant's report.

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2019

ASSETS

Cash and cash equivalents	\$683,645
Receivables - ad valorem taxes	<u>307,585</u>
TOTAL ASSETS	<u><u>\$991,230</u></u>

LIABILITIES AND FUND EQUITY

Liabilities -	
Accounts payable	\$12,632
Withholdings payable	<u>542</u>
Total liabilities	13,174
Fund Equity - fund balances - unassigned	<u>978,056</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$991,230</u></u>

See accompanying notes and independent accountant's report.

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets

For the Year Ended December 31, 2019

Total Fund Balances at December 31, 2019 - Governmental Funds (Statement C)		<u>\$978,056</u>
Cost of capital assets at December 31, 2019	\$2,978,892	
Less: Accumulated depreciation as of December 31, 2019	<u>(2,284,308)</u>	<u>694,584</u>
Net Assets at December 31, 2019 (Statement A)		<u><u>\$1,672,640</u></u>

See accompanying notes and independent accountant's report.

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2019

REVENUES

Ad valorem taxes	\$327,062
Intergovernmental revenues - fire insurance rebate	26,085
Use of money and property	4,191
Other revenues	6,145
Total revenues	<u>363,483</u>

EXPENDITURES

Public safety:	
Current:	
Personal services	16,675
Operating services	85,532
Materials and supplies	8,356
Capital outlay	361,543
Intergovernmental	36,256
Total expenditures	<u>508,362</u>

EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES (144,879)

FUND BALANCE AT BEGINNING OF YEAR 1,122,935

FUND BALANCE AT END OF YEAR \$978,056

See accompanying notes and independent accountant's report.

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2019

Total net change in fund balances - governmental funds (Statement D)	(\$144,879)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	<u>228,981</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$84,102</u></u>

See accompanying notes and independent accountant's report.

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Claiborne Parish Fire Protection District No. 4 was created by the Claiborne Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, on March 9, 1989. The district is governed by a five member board appointed by the Claiborne Parish Police Jury, the Town of Homer, and by the board. Board members serve without benefit of compensation. The district is responsible for collecting an ad valorem tax within the boundaries of the district and for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district. As discussed in note 4, the district remits a portion of its funds to the Town of Homer which is responsible for fire protection within the boundaries of the town.

The accompanying financial statements of the Claiborne Parish Fire Protection District No. 4 have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis -for State and Local Governments*, issued in June 1999.

A. REPORTING ENTITY

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

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

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Notes to the Financial Statements (Continued)

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

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

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

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

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

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

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Notes to the Financial Statements (Continued)

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

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

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

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

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

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The district's current operations require the use of only governmental funds. The governmental fund type used by the district is described as follows:

Governmental Fund Type

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The district considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Notes to the Financial Statements (Continued)

due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

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

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

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

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2019, the district has cash and cash equivalents (book balances) totaling \$683,645.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Notes to the Financial Statements (Continued)

deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the fire district that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the fire district's name.

Cash (bank balances) at December 31, 2019, total \$687,866 and are fully secured by federal deposit insurance and pledged securities.

F. RISK MANAGEMENT

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

G. EQUITY CLASSIFICATIONS

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Notes to the Financial Statements (Continued)

- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

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

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

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

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

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

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

The General Fund has an unassigned fund balance of \$978,056. If applicable, the fire district would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

CLAIBORNE PARISH FIRE
 PROTECTION DISTRICT NO. 4
 Homer, Louisiana
 Notes to the Financial Statements (Continued)

H. ESTIMATES

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

2. LEVIED TAXES

The district is authorized to levy a maximum tax of 10.04 mills on property within the boundaries of the district for maintenance and operation of the district. The district levied 10.00 mills for 2019. The tax was renewed for an additional 10 year period and will expire on the 2023 tax roll.

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

	<u>2019 Assessed Valuation</u>	<u>Per cent of Total Assessed Valuation</u>
Gulf Crossing Pipeline Company	\$11,651	7.82%
Midcontinent Express Pipeline	11,507	7.72%
Texas Gas Transmission Company	5,533	3.71%
Claiborne Electric Co-Op	4,157	2.79%
Mid-Valley Pipeline Company	3,643	2.44%
Urban Oil & Gas Group, LLC	3,564	2.39%
XTO Energy	3,448	2.31%
DCP Midstream LP	2,566	1.72%
Hays, James Michael	1,876	1.26%
Covalence Specialty COA	1,844	1.24%
Total	<u>\$49,789</u>	<u>33.41%</u>

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Notes to the Financial Statements (Continued)

3. CHANGES IN CAPITAL ASSETS

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

Balance, January 1, 2019	\$2,617,349
Additions	361,543
Deletions	<u>NONE</u>
Balance, December 31, 2019	2,978,892
Less accumulated depreciation	<u>(2,284,308)</u>
Net Capital Assets	<u><u>\$694,584</u></u>

4. PENSION PLANS

The district does not participate in any pension or retirement plans.

5. LITIGATION AND CLAIMS

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

REQUIRED SUPPLEMENTARY INFORMATION

PART II

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019

	ORIGINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes - ad valorem	\$300,000	\$327,062	\$27,062
Intergovernmental revenues - fire insurance rebate	25,000	26,085	1,085
Use of money and property	1,000	4,191	3,191
Other revenues		6,145	6,145
Total revenues	<u>326,000</u>	<u>363,483</u>	<u>37,483</u>
EXPENDITURES			
Current:			
General government - taxation:			
Personal services	70,000	16,675	53,325
Operating services	646,789	85,532	561,257
Materials and supplies	12,000	8,356	3,644
Capital outlay	375,000	361,543	13,457
Intergovernmental	25,000	36,256	(11,256)
Total expenditures	<u>1,128,789</u>	<u>508,362</u>	<u>620,427</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(802,789)	(144,879)	657,910
FUND BALANCE AT BEGINNING OF YEAR	<u>802,789</u>	<u>1,122,935</u>	<u>320,146</u>
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>\$978,056</u>	<u>\$978,056</u>

See accompanying note to budgetary comparison schedule.

Claiborne Parish Fire
Protection District No. 4
Homer, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE

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

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

OTHER SUPPLEMENTARY INFORMATION
PART III

CLAIBORNE PARISH FIRE PROTECTION DISTRICT NO. 4
Homer, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2019

CHARLES D. BUTCHER, FIRE CHIEF

PURPOSE	AMOUNT
Salary	<u>\$16,500</u>

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent Accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana

I have performed the procedures enumerated below, which were agreed to by Claiborne Parish Fire Protection District No. 4 and the Louisiana Legislative Auditor, on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. Management of the Claiborne Parish Fire Protection District No. 4 is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

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

There was one purchase during the year within the above scope. The expenditure was for the purchase of a fire truck that was purchased under state contract in compliance with the law.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of the fire district as defined by LSA-RS 42:1101-1124 (the ethics law).

Management provided me with the requested information.

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2019

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

Management provided me with the requested information.

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

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

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

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

Budgeting

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

Management provided me with a copy of the original budget. Management represented that there were no amendments to the budget during the year.

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

I traced the adoption of the original budget to documentation in the minutes of the meeting of the District's commissioners held on October 18, 2018. Management represented that there were no amendments to the budget during the year.

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

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2019

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

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select 6 disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) report whether the 6 disbursements agree to the amount and payee in the supporting documentation;

Each of the 6 selected disbursements agreed with the amount and payee in the supporting documentation.

- (b) report whether the 6 disbursements are coded to the correct fund and general ledger account, and;

All of the 6 disbursements were properly coded to the correct fund and general ledger account.

- (c) report whether the 6 disbursements were approved in accordance with management's policies and procedures.

All 6 disbursements were approved by the Board.

Meetings

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

Management represented that the District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertions other than an unmarked copy of the notices and agendas.

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2019

Debt

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

I scanned all bank deposit slips for the year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

I scanned payroll disbursements and read the meeting minutes of the District's board of commissioners for the fiscal year. I found no payments or approval for payments to employees that would constitute bonuses, advances or gifts.

State Audit Law

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

The fire district's report was due by June 30, 2020, and was submitted April 29, 2020.

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

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

Prior Year Comments

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

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 4
Homer, Louisiana
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2019

My prior year report, dated May 20, 2019, included no suggestions, recommendations, and/or comments.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



West Monroe, Louisiana
April 29, 2020

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the questionnaire.

Mary Jo Finley, CPA, Inc.
116 Professional Drive
West Monroe, LA 71291

Mary Jo Finley, CPA, Inc.,

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2019 and the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, I make the following representations to you.

These representations are based on information available to me as of April 29, 2020.

PUBLIC BID LAW

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

Yes No N/A

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

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

Yes No N/A

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

Yes No N/A

BUDGETING

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

Yes [X] No [] N/A []

ACCOUNTING AND REPORTING

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

Yes [X] No [] N/A []

6. I have filed my annual financial statements in accordance with R.S. 24:514, and 33:463 were applicable.

Yes [X] No [] N/A []

7. I have had my financial statements reviewed in accordance with R.S. 24:513.

Yes [X] No [] N/A []

8. I did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1A(2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [X] No [] N/A []

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

Yes [X] No [] N/A []

MEETINGS

10. I have complied with the provisions of the Open Meetings Law, R.S. 42:11 through 42:28.

Yes [X] No [] N/A []

DEBT

11. It is true I have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have I entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60 - 1410:65.

Yes [X] No [] N/A []

ADVANCES AND BONUSES

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

Yes [X] No [] N/A []

PRIOR-YEAR COMMENTS

13. I have resolved all prior-year recommendations and/or comments.

Yes [X] No [] N/A []

GENERAL

14. I am responsible for my compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [X] No [] N/A []

15. I have evaluated my compliance with these laws and regulations prior to making these representations.

Yes [X] No [] N/A []

16. I have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [X] No [] N/A []

17. I have made available to you all records that I believe are relevant to the foregoing agreed-upon procedures.

Yes [X] No [] N/A []

18. I have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible non compliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [X] No [] N/A []

19. I will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of my report.

Yes [X] No [] N/A []

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



Certifying Official

April 29, 2020

Date