

**DESOTO PARISH FIRE  
PROTECTION DISTRICT NO. 5**  
Stanley, Louisiana

**FINANCIAL REPORT**  
December 31, 2017

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Stanley, Louisiana**  
**FINANCIAL REPORT**  
December 31, 2017

**Table of Contents**

	<b><u>Statement</u></b>	<b><u>Page</u></b>
Independent Accountant's Review Report		2-3
<u>Required Supplemental Information (Part I):</u>		
Management's Discussion and Analysis		5-8
<u>Basic Financial Statements:</u>		
Governmental Fund Balance Sheet / Statement of Net Position	A	10
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position	B	11
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities	C	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities	D	13
Notes to the Financial Statements		15-23
<u>Required Supplemental Information (Part II):</u>		
Budgetary Comparison Schedule – General Fund	1	25
Note to Budgetary Comparison Schedule		26
<u>Other Supplemental Information:</u>		
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	2	28
<u>Other Reports Required by Louisiana Governmental Audit Guide:</u>		
Independent Accountant's Report on Applying Agreed-Upon Procedures		30-33
Louisiana Attestation Questionnaire		34-35



# Dees Gardner, Certified Public Accountants, LLC

---

Deborah D. Dees, CPA/CFF  
Maura Dees Gardner, CPA, CFE

122 Jefferson Street  
Mansfield, Louisiana  
318-872-3007

## Independent Accountant's Review Report

To the Board of Commissioners of the  
DeSoto Parish Fire Protection District No. 5  
Stanley, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of the DeSoto Parish Fire Protection District No. 5, a component unit of the DeSoto Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying procedures to management's financial data and making inquiries of the management of the DeSoto Parish Fire Protection District No. 5. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountant's Responsibility

Our responsibility is to conduct the review in accordance with the *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements of the DeSoto Parish Fire Protection District No. 5 in order for them to be in conformity with accounting principles generally accepted in the United States of America.

### Required and Other Supplemental Information

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements but are supplementary information 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 supplementary information included in the budgetary comparison and schedule of compensation, benefits, and other payments has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto. The information included in the management's discussion and analysis has not been subjected to the inquiry and an analytical procedure applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the management's discussion and analysis.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 20, 2018, on the results of our agreed-upon procedures on pages 30-32. Also presented as required is the Louisiana Attestation Questionnaire.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
June 20, 2018

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

# DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

December 31, 2017

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the DeSoto Parish Fire Protection District No. 5 (Fire District), we offer the readers of our annual financial report our discussion and analysis of the Fire District's financial performance during the year that ended on December 31, 2017. Please read it in conjunction with the Fire District's financial statements, which follow this section.

The Fire District was determined to be a component unit of the DeSoto Parish Policy Jury. The accompanying financial statements present information only on the funds maintained by the DeSoto Parish Fire Protection District No. 5.

### FINANCIAL HIGHLIGHTS

The DeSoto Parish Fire Protection District No. 5 experienced an increase in its total net position of \$191,941 or 7.17% during the year. At December 31, 2017, the assets of the Fire District exceeded its liabilities by \$2,869,806.

DeSoto Parish Fire Protection District No. 5's total revenues decreased \$19,731 or 4.82% to \$389,496 in 2017 from \$409,227 in 2016.

Ad valorem tax revenue (property taxes) decreased \$20,108 (5.11%) to \$373,315 during the year reported compared to a decrease of \$36,037 (8.39%) in 2016.

DeSoto Parish Fire Protection District No. 5's governmental fund balance decreased \$60,130 or 5.93%.

### OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the basic financial statements which include government-wide financial statements and fund financial statements. These two types of financial statements present the Fire District's financial position and results of operations from differing perspectives, which are described as follows:

#### Government-Wide Financial Statement

The government-wide financial statements report information about the Fire District as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Fire District's assets and all of its liabilities. All of the Fire District's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by property taxes and intergovernmental revenues that include fire insurance rebates, state revenue sharing and grants.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

December 31, 2017

**Fund Financial Statements**

Fund financial statements provide detailed information regarding the Fire District's most significant activities and are not intended to provide information for the Fire District as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Fire District's activities are limited to its general fund, which is classified as a Governmental Fund. This fund is used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Fire District's finances. Assets reported by the governmental fund are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

**Notes to the Financial Statements**

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

**Required Supplemental Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The Fire District adopts an annual budget for the general fund. A budgetary comparison statement is provided for the general fund to demonstrate budgetary compliance.

**Other Supplemental Information**

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfil the requirements of Louisiana Revised Statute 24:513(A)(3).

**FINANCIAL ANALYSIS OF THE FIRE DISTRICT AS A WHOLE**

The comparison of net position from year to year serves to measure a government's financial position. As of December 31, 2017, the Fire District's assets exceed its liabilities by \$2,869,806 (net position).

Approximately 66.14% (\$1,898,157) of the Fire District's net position reflects capital assets consisting of firefighting equipment, fire trucks, buildings and improvements, with a historical cost of \$3,356,932 less accumulated depreciation of \$1,458,775 less any related debt used to acquire those assets that is still outstanding (the Fire District has no outstanding related debt). This portion of net position is not available for future spending.

Unrestricted net position of \$971,649 or 33.86% of total net position as of December 31, 2017, may be used to meet the ongoing obligations to the citizens of DeSoto Parish Fire Protection District No. 5.

Accounts receivable consists of ad valorem taxes and state revenue sharing.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

December 31, 2017

A Summary of Statement of Net Position is as follows:

ASSETS	Governmental Activities	
	2017	2016
Cash and cash equivalents	\$ 584,115	\$ 648,629
Accounts receivable	372,812	369,391
Prepaid insurance	17,012	16,561
Capital assets, net of accumulated depreciation	1,898,157	1,646,537
Total assets	<u>\$ 2,872,096</u>	<u>\$ 2,681,118</u>
LIABILITIES		
Current liabilities	\$ 2,290	\$ 3,253
Total liabilities	<u>\$ 2,290</u>	<u>\$ 3,253</u>
NET POSITION		
Net investment in capital assets	\$ 1,898,157	\$ 1,646,537
Unrestricted	971,649	1,031,328
Total net position	<u>\$ 2,869,806</u>	<u>\$ 2,677,865</u>

The Summary of the Statement of Activities that follows compares revenues and expenses for the current and previous year. Total revenues decreased by 4.82 percent from last year. Ninety-six percent of the Fire District's total revenues come from property taxes (ad valorem taxes) and three percent from other state sources. Total expenses decreased 6.26% (\$13,190) over the prior year.

Ad valorem tax revenue for the Fire District decreased by \$20,108, or 5.11%.

Expenses of the Fire District, without depreciation, decreased \$23,350 (18.94%) from 2016. Depreciation expense made up 49.43% of total expenses for December 31, 2017, compared to 41.51% of total expenses in 2016.

The Fire District increased its net position 7.17% for year ended December 31, 2017.

A Summary of Statement of Activities is as follows:

	Governmental Activities	
	2017	2016
Program Revenues:		
Grants/Contributions	\$ 1,000	\$ 3,500
General Revenues:		
Ad Valorem Taxes	373,315	393,423
Intergovernmental revenues	11,799	11,149
Other income	1,652	12
Interest income	1,730	1,143
Total revenues	<u>389,496</u>	<u>409,227</u>
Expenses		
Public Safety	<u>197,555</u>	<u>210,745</u>
Total expenses	<u>197,555</u>	<u>210,745</u>
Increases in net position	<u>191,941</u>	<u>198,482</u>
Net Position, beginning	<u>2,677,865</u>	<u>2,479,383</u>
Net Position, ending	<u>\$ 2,869,806</u>	<u>\$ 2,677,865</u>

## DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

December 31, 2017

### FINANCIAL ANALYSIS OF THE FIRE DISTRICT'S GOVERNMENTAL FUNDS

For the year ended December 31, 2017, differences between the government-wide presentation and the fund financial statements were due to acquisition of capital outlays, depreciation changes associated with capital assets, and prepayment of expenses. During 2017, the fund balance of the General Fund decreased \$60,130 (5.93%) to \$954,637 compared to a fund balance of \$1,014,767 for the prior year.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Fire District adopted a budget for its General Fund for the year ended December 31, 2017. The budget was amended during the year. Total actual revenues were more than budgeted revenues by \$3,682. Total actual expenditures were \$333,789 (74.24%) more than the final budgeted expenditures.

### DEBT ADMINISTRATION

The DeSoto Parish Fire Protection District No. 5 does not currently carry any indebtedness other than normal trade payables.

### CAPITAL ASSETS

The Fire District capital asset acquisitions consist primarily of costs for the completion of the new Central Fire Station and a new brush truck.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary revenue source for the Fire District is property taxes. This tax is subject to changes in the economy, in the short-term. Also, in the long-term, the ability to sustain this income could affect the Fire District's revenue. Revenues and expenses (excluding current year capital outlays) are expected to be consistent with the prior year.

### CONTACTING THE FIRE DISTRICT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the finances for those funds maintained by the DeSoto Parish Fire Protection District No. 5 and to present the Fire District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ron Conleay, Secretary/Treasurer, at P. O. Box 1089, Logansport, Louisiana, 71049.

## BASIC FINANCIAL STATEMENTS

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Stanley, Louisiana**

**GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION**

December 31, 2017

	Governmental Funds Financial Statements		Government-wide Statements
	<b>Balance Sheet</b>		<b>Statement of</b>
	General Fund	Adjustments	<b>Net Position</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 584,115	\$ -	\$ 584,115
Accounts receivable	372,812	-	372,812
Prepaid expenses	-	17,012	17,012
Capital assets, net of depreciation	-	1,898,157	1,898,157
TOTAL ASSETS	<u>\$ 956,927</u>	<u>1,915,169</u>	<u>2,872,096</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 1,136	-	1,136
Payroll liabilities	1,154	-	1,154
Total current liabilities	<u>2,290</u>	<u>-</u>	<u>2,290</u>
TOTAL LIABILITIES	<u>2,290</u>	<u>-</u>	<u>2,290</u>
<b>FUND BALANCE / NET POSITION</b>			
Fund Balances:			
Unassigned	954,637	(954,637)	-
TOTAL FUND BALANCES	<u>954,637</u>	<u>(954,637)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 956,927</u>	<u>2,869,806</u>	<u>-</u>
Net Position:			
Net investment in capital assets		1,898,157	1,898,157
Unrestricted		971,649	971,649
TOTAL NET POSITION		<u>\$ -</u>	<u>\$ 2,869,806</u>

See accompanying notes and independent accountant's review report.

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Stanley, Louisiana**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
December 31, 2017

Total Net Position reported for Governmental Activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Fund	\$	954,637
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the government fund		1,898,157
Prepayments recorded using the nonallocation method are not considered expendable financial resources and are not reported in the government fund		<u>17,012</u>
Net Position of Governmental Activities	\$	<u><u>2,869,806</u></u>

See accompanying notes and independent accountant's review report.

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Stanley, Louisiana**

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /**  
**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2017

	Governmental Funds Financial Statements			Government-wide Statements
	<b>Statement of Revenues Expenditures, and Changes in Fund Balance</b>			<b>Statement of Activities</b>
	General Fund	Adjustments		
<b>EXPENDITURES/EXPENSES</b>				
Public Safety-Fire				
Personnel and related benefits	\$ 17,668	\$ -		\$ 17,668
Materials and supplies	50,161	(451)		49,710
General and administrative	32,530	-		32,530
Capital outlays	349,267	(349,267)		-
Depreciation	-	97,647		97,647
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>449,626</b>	<b>(252,071)</b>		<b>197,555</b>
<b>PROGRAM REVENUES</b>				
Operating grants & contributions	1,000	-		1,000
<b>TOTAL PROGRAM REVENUES</b>	<b>1,000</b>	<b>-</b>		<b>1,000</b>
<b>NET PROGRAM EXPENSE</b>	<b>(448,626)</b>	<b>252,071</b>		<b>(196,555)</b>
<b>GENERAL REVENUES</b>				
Ad valorem taxes	373,315	-		373,315
State revenue sharing	3,795	-		3,795
Interest earnings	1,730	-		1,730
Fire insurance rebate	8,004	-		8,004
Other income	1,652	-		1,652
<b>TOTAL GENERAL REVENUES</b>	<b>388,496</b>	<b>-</b>		<b>388,496</b>
<b>NET CHANGE IN FUND BALANCE/ CHANGE IN NET POSITION</b>	<b>(60,130)</b>	<b>252,071</b>		<b>191,941</b>
<b>FUND BALANCE / NET POSITION</b>				
Beginning of the year	1,014,767			2,677,865
End of the year	\$ 954,637			\$ 2,869,806

See accompanying notes and independent accountant's review report.

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Stanley, Louisiana**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND**  
**TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2017

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

Net Change in Fund Balances, Governmental Fund	\$	(60,130)
Governmental funds report expenses that involve payments with current financial resources, such as insurance, in the year in which it is paid. In the Statement of Activities, payments that are attributable to current periods are recognized.		451
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund:		
Depreciation expense (\$97,647) less than capital outlays (\$349,267)		<u>251,620</u>
Change in Net Position of Governmental Activities	\$	<u><u>191,941</u></u>

See accompanying notes and independent accountant's review report.

## NOTES TO THE FINANCIAL STATEMENTS

# DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

## Stanley, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2017

---

## INTRODUCTION

DeSoto Parish Fire Protection District No. 5 was created by the DeSoto Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on April 16, 1988. The Fire District is governed by a five-member board appointed in accordance to LRS 40:1496 as follows: two members by the Police Jury, two members by the Village of Stanley, and one by the other four members. The Fire District has two paid employees; a part-time administrative employee and a part-time fire chief. The Fire District is responsible for maintaining and operating four fire stations and equipment, and providing fire protection to approximately 1,600 residents living within the 113.5 square miles of the Fire District's boundaries.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the DeSoto Parish Fire Protection District No. 5 have been prepared in conformity with governmental accounting principles generally accepted in the United States of America applicable to state and local governments. 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. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

The more significant accounting policies established in GAAP and used by the DeSoto Parish Fire Protection District No. 5 are discussed below.

#### A. REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the governmental reporting entity and which component units should be included within the reporting entity. Under provisions of this Statement, the DeSoto Parish Fire Protection District No. 5 was determined to be a component unit of the DeSoto Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the Fire District because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the Fire District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

#### B. BASIS OF PRESENTATION

The DeSoto Parish Fire Protection District No. 5's basic financial statements consists of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

#### **Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

# DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

## Stanley, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2017

---

#### 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

##### B. **BASIS OF PRESENTATION** (continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Fire District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### **Fund Financial Statements**

The accounts of the Fire District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The minimum number of funds is maintained consistent with legal and managerial requirements.

A fund is considered major if it is the primary operating fund of the entity. The only fund of the Fire District is considered a major fund and is classified as a governmental fund as described below:

General Fund. The General Fund, as provided by Louisiana Revised Statute 47:1906 is the primary operating fund of the Fire District and is used to account for the operations of the Fire District. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Fire District's policy.

##### C. **MEASUREMENT FOCUS/ BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues, expenditures, expenses, transfers of assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

##### **Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or non-current) associated with its activities are reported. Government-wide fund equity is classified as net position.

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of available spendable financial resources during a given period. This approach is then reconciled, through adjustment, to a government-wide view of the operations.

# DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

## Stanley, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2017

---

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### C. MEASUREMENT FOCUS/ BASIS OF ACCOUNTING (continued)

###### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlays) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Ad valorem taxes are recorded in the year in which the taxes are assessed. State revenue sharing is recorded in the year the Fire District is entitled to the funds. Intergovernmental revenues and grants are recognized when received. Interest income on deposits is recorded monthly when the interest is earned and credited to the account.

Expenditures. Salaries are recorded when employee services are paid. Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased. Substantially all other expenditures are recognized when the related liability is incurred.

##### D. ASSETS, LIABILITIES AND EQUITY

###### **Cash and interest-bearing deposits**

Cash includes amounts in demand accounts, interest-bearing demand deposits, and certificates of deposits with a 90-day or less maturity term at time of purchase. Under state law, the Fire District may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Fire District may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

###### **Prepaid Expenses**

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid expenses in the Statement of Net Position.

###### **Accounts Receivable**

Major receivables for the governmental activities include ad valorem taxes and state revenue sharing revenues. Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

# DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

## Stanley, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2017

---

#### 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

##### D. ASSETS, LIABILITIES AND EQUITY (continued)

###### **Capital Assets**

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

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20 years
Firefighting equipment	5-15 years
Fire trucks	15 years

###### **Deferred Inflows of Resources**

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources arise when potential revenues do not meet both the "available" and "measurable" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria have been met the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Fire District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in the category. Accordingly, the item, unavailable ad valorem revenue, is reported only in the governmental funds balance sheet. The Fire District has no unavailable ad valorem revenue at December 31, 2017.

###### **Compensated Absences**

The Fire District does not provide for the accumulation and vesting of leave.

###### **Equity Classifications**

###### Net Position

The Fire District classifies net position in the government-wide financial statements, as follows:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

# DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

## Stanley, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2017

---

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### D. ASSETS, LIABILITIES AND EQUITY (continued)

- Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Fire District's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Fire District.

##### Fund Balances

In accordance with GASB Statement No. 54, the Fire District classifies fund balances in governmental funds as follows:

- Nonspendable- Resources that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.
- Restricted- Resources constrained to specific purposes by their providers (such as grantors or higher levels of government).
- Committed- Resources constrained by the Fire District itself. To be reported as committed, amounts cannot be used for any other purpose unless the Fire District takes the action to remove or change the constraint.
- Assigned- Resources the Fire District intends to use for a specific purpose.
- Unassigned- Resources that are available for any purpose.

The Fire District establishes (and modifies and rescinds) fund balance commitments and assignments through adoption and amendment of the budget. The Fire District would typically use restricted fund balances first, followed by committed resources, and then 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.

The General Fund, the Fire District's only governmental fund, has an unassigned fund balance of \$954,637.

##### E. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

## Stanley, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2017

---

## 2. CASH AND INTEREST-BEARING DEPOSITS

At December 31, 2017, the Fire District had cash and cash equivalents totaling \$584,115 (book balance).

The cash of the DeSoto Parish Fire Protection District No. 5 is subject to the following risks:

*Custodial Credit Risk:* Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these 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 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 of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Fire District that the fiscal agent 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.

At December 31, 2017, the Fire District had \$588,756 in deposits (collected bank balances). These deposits were secured from risk by \$350,562 of federal deposit insurance and \$238,194 of pledged securities with a total market value of \$1,503,981.

*Interest Rate Risk:* This is the risk that changes in market interest rates will adversely affect the fair value of the certificate of deposit. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value is to changes in market interest rates. The Fire District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Fire District's deposits are in interest bearing and non-interest bearing checking and savings accounts and a short-term certificate of deposit which limits exposure to fair value losses.

## 3. ACCOUNTS RECEIVABLE

The following is a summary of accounts receivables at December 31, 2017:

Ad valorem taxes	\$	371,552
State revenue sharing		1,260
	\$	<u>372,812</u>

## DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

### Stanley, Louisiana

#### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2017

#### 4. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2017 are as follows:

<u>Governmental Activities</u>	<u>Balance December 31, 2016</u>	<u>Additions</u>	<u>Deletions / Reclassifications</u>	<u>Balance December 31, 2017</u>
Vehicles	\$ 1,179,289	\$ 340,724	\$ -	\$ 1,520,013
Buildings	1,478,825	6,149	-	1,484,974
Firefighting Equipment	349,550	2,394	-	351,944
Total	<u>3,007,664</u>	<u>349,267</u>	<u>-</u>	<u>3,356,931</u>
Less accumulated depreciation				
Vehicles	896,631	58,660		955,291
Buildings	123,846	36,765		160,611
Firefighting Equipment	340,650	2,222		342,872
Total	<u>1,361,127</u>	<u>97,647</u>	<u>-</u>	<u>1,458,774</u>
Capital assets, net	\$ <u>1,646,537</u>	\$ <u>251,620</u>	\$ <u>-</u>	\$ <u>1,898,157</u>

Depreciation expense of \$97,648 was charged to the public safety function.

#### 5. LEVIED TAXES

The Fire District levies taxes on real and business property located within the boundaries of the Fire District. Property taxes are levied by the Fire District on property values assessed by the DeSoto Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The DeSoto Parish Sheriff's offices bills and collects property taxes for the Fire District. Collections are remitted to the Fire District monthly. The Fire District recognizes property tax revenues when levied.

The property tax calendar is as follows:

Assessment date	January 1, 2017
Levy date	June 30, 2017
Tax bills mailed	October 15, 2017
Total taxes are due	December 31, 2017
Penalties & interest added	January 31, 2018
Tax sale	May 15, 2018

The Fire District has authorized a 10.0 mills ad valorem tax millage for 2017. The taxes are normally collected in December of the current year and January and February of the ensuing year. Total assessed value in the Fire District was \$39,998,791 in 2017. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$2,667,331 in 2017. The net ad valorem tax assessed for the Fire District for 2017 was \$373,315. Total of ad valorem tax revenues recognized in 2017 by the Fire District was \$373,315.

## DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

### Stanley, Louisiana

#### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2017

#### 5. LEVIED TAXES (continued)

The following are the principal taxpayers for the Fire District (2017 amounts):

	TYPE OF BUSINESS	ASSESSED VALUATION	% OF TOTAL TAXABLE VALUATION	AD VALOREM TAX REVENUE FOR FIRE DISTRICT
Indigo Haynesville LLC	Oil & Gas	\$ 5,102,165	12.76%	\$ 47,635
Enterprise Gathering LLC	Oil & Gas	4,983,962	12.46%	\$ 46,515
Enable Midstream Partnership	Oil & Gas	3,717,632	9.29%	\$ 34,681
Comstock Oil & Gas	Oil & Gas	3,229,529	8.07%	\$ 30,127
Chesapeake Operating, Inc.	Oil & Gas	2,280,208	5.70%	\$ 21,279
Louisiana Midstream Gas	Oil & Gas	1,628,430	4.07%	\$ 15,194
Amplify Energy Operating LLC	Oil & Gas	1,587,713	3.97%	\$ 14,821
Southwestern Electric	Utility	1,539,254	3.85%	\$ 14,373
Indigo Minerals LLC	Oil & Gas	1,268,214	3.17%	\$ 11,834
Northeast Texas Electric	Utility	1,121,152	2.80%	\$ 10,453
Total		<u>\$ 26,458,259</u>	<u>66.14%</u>	<u>\$ 246,912</u>

#### 6. RISK MANAGEMENT

The Fire District is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets and errors and omissions. To reduce these risks, the Fire District purchases commercial insurance. No settled claims from these risks have exceeded insurance coverage in the last three years. There were no significant changes to insurance coverage during the year ended December 31, 2017.

#### 7. LITIGATION

There is no litigation pending against the Fire District, at December 31, 2017, nor is it aware of any unasserted claims.

#### 8. RELATED PARTY TRANSACTIONS

FASB 57 requires the disclosure of the description of the relationship, the transactions, the dollar amount of the transactions, and any amounts due to or from that result from related party transactions. There were no related party transactions.

#### 9. LEASE AGREEMENT

The Fire District entered into an operating lease with the DeSoto Parish School Board in May of 1989 for the land on which one of the stations is located. The lease term was 98 years and the amount of the lease was one dollar, which was paid at the inception of the lease. This lease was renegotiated and a new lease option was approved in August, 2010.

#### 10. COMPENSATION PAID TO BOARD MEMBERS

The members of the Board of Commissioners of the Fire District receive no compensation for their services.

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**

**Stanley, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended December 31, 2017

---

**11. RETIREMENT COMMITMENTS**

The Fire District has two employees who are members of the Federal Social Security System. The Fire District and its employees contribute a percentage of the employees' salary to the System. The Fire District's contribution was \$1,016 for the year ended December 31, 2017.

**12. SUBSEQUENT EVENTS**

Management has performed an evaluation of the Fire District's activities through June 20, 2018, and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**  
Stanley, Louisiana  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 393,423	\$ 373,315	\$ 373,315	\$ -
Intergovernmental revenue- state funds				-
Fire insurance rebate	6,900	8,004	8,004	-
State revenue sharing	3,000	2,825	3,795	970
Contributions	-	-	1,000	1,000
Other revenues	1,000	1,670	1,652	(18)
Interest income	-	-	1,730	1,730
Total Revenues	<u>404,323</u>	<u>385,814</u>	<u>389,496</u>	<u>3,682</u>
<b>Expenditures</b>				
Current:				
Public safety-fire				
Personnel and related benefits	21,138	19,131	17,668	1,463
Materials and supplies	96,020	47,155	50,161	(3,006)
General and administrative	39,200	33,051	32,530	521
Capital outlays	300,000	16,500	349,267	(332,767)
Total Expenditures	<u>456,358</u>	<u>115,837</u>	<u>449,626</u>	<u>(333,789)</u>
Net Change in Fund Balance	(52,035)	269,977	(60,130)	337,471
<b>Fund balances, beginning of year</b>	<u>1,014,767</u>	<u>1,014,767</u>	<u>1,014,767</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 962,732</u>	<u>\$ 1,284,744</u>	<u>\$ 954,637</u>	<u>\$ 337,471</u>

See independent accountant's review report.

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Stanley, Louisiana**  
**NOTE TO BUDGETARY COMPARISON SCHEDULE**  
December 31, 2017

**Budgetary Information**

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The budget is adopted annually on the modified accrual basis of accounting. The budget comparison schedule presents the original adopted budget and the final amended budget.

The Fire District is required by state law to adopt an annual budget. A proposed budget is prepared by the governing board in November and made available for public inspection no later than 15 days prior to December 31, of each year. In open meeting prior to December 31, the budget is adopted and becomes part of the official minutes of the Fire District. The budget was approved December 19, 2016.

Once a budget is approved, it can be amended by approval of a majority of the Board. Amendments are presented at a regular open meeting for Board approval. The budget was amended once during the year ending December 31, 2017. For the year ended December 31, 2017, actual revenues were more than budgeted amounts. Actual expenditures exceeded appropriations by \$333,789 or 74.24%. The Fire District is not compliance with the Local Government Budget Act.

## OTHER SUPPLEMENTAL INFORMATION

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Stanley, Louisiana**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

For the Year Ended December 31, 2017

**Todd Kreamer, Fire Chief**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 8,191
Benefits-insurance (medicare taxes)	119
Benefits- retirement (Social Security taxes)	508
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	595
Travel	-
Registration fees	250
Conference travel	687
Training	-
Housing	-
Unvouchered expenses	-
Special meals	-
Total	<u>\$ 10,350</u>

See independent accountant's review report.

OTHER REPORTS REQUIRED BY LOUISIANA GOVERNMENTAL  
AUDIT GUIDE



# Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF  
Maura Dees Gardner, CPA, CFE

122 Jefferson Street  
Mansfield, Louisiana  
318-872-3007

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

Board of Commissioners  
DeSoto Parish Fire Protection District No. 5  
Stanley, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the DeSoto Parish Fire Protection District No. 5 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about DeSoto Parish Fire Protection District No. 5's compliance with certain laws and regulations during the year ended December 31, 2017, included in the accompanying *Louisiana Attestation Questionnaire*. Management of DeSoto Parish Fire Protection District No. 5 is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed 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.

### Public Bid Law

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

One expenditure was made during the year for materials and supplies exceeding \$30,000. A tanker truck was bid and purchased in accordance with the public bid law.

### Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics).

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the fiscal year.

Management provided us with the required list.

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

None of the employees included on the list of employees provided by management (agreed-upon procedure No. 3) appeared on the list provided by management in agreed-upon procedure No. 2.

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

A list of disbursements was obtained. None of the business interests were also found as a vendor.

### **Budgeting**

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

Management provided us with a copy of the original budget.

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

The Board adopted the original budget on December 19, 2016. It was amended once on November 20, 2017.

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

We compared the revenues and expenditures of the final budget to actual revenue and expenditures. Budgeted revenues for the year did not exceed actual amounts. Total actual expenditures exceeded budgeted amounts by 74%.

Recommendation: Management should review and monitor the budget more closely.

Management's Response: Management will continue to monitor the budget carefully and consider projections more diligently.

### **Accounting and Reporting**

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

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

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Report whether the six disbursement are coded to the correct fund and general ledger account

All payments were properly coded to the correct general ledger account.

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

Inspection of documentation supporting the selected disbursements indicated approvals from a board member on the attached check stub, but not the invoice. It cannot be determined that the board member is approving the invoice before the payment created and the check is signed.

Recommendation: Management should review invoices before they are submitted for payment and sign and date that the invoice has been properly approved.

Management's Response: A board member will review the invoices before being submitted for payment. They will acknowledge their proper approval by signature and date on the invoice.

### **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 meeting law) and report whether there are any exceptions.

The DeSoto Parish Fire Protection District No. 5 is only required to post a notice of each meeting and the accompanying agenda on the door of the Fire District's office building. Management notes during the Board meeting when the agendas are posted and by whom. There is then a vote to accept the agenda as posted at the beginning of each meeting.

### **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.

We inspected deposits for the period under examination and found no indication of new bank loans, bonds, or like indebtedness in 2017.

### **Advances and Bonuses**

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

We inspected payroll records for the year and noted no instances which would indicate payments to employees which 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 report was filed timely.

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

Management did not enter into any contracts that utilized state funds.

## **Other Matters, Concerns, Suggestions, Recommendations, and/ or Comments**

15. Discuss any other matters, concerns, suggestions, recommendations and/ or comments determined during the performance of attestation procedures.

There is no evidence on the bank statements or the related reconciliations that they are being reviewed by a board member or the Fire Chief. In addition, bank statements are downloaded from the bank and copies of the cancelled checks are not provided for review.

Recommendation: The District should appoint an individual of the board, preferably one without signatory authority, to review the bank statements and reconciliations monthly and sign and date one they have completed. The District should also request the bank provided images of the cancelled checks that are also reviewed.

Management response: Management agrees with the recommendation and will appoint such an individual.

## **Prior-Year Comments and Recommendations**

16. Review any prior-year suggestions, recommendations, and or comments to determine the extent to which such matters have been resolved.

The District has five board members and two employees who are required to complete one hour of training per calendar year on the Code of Government Ethics pursuant to R.S. 42:1170A. Two of the board members did not complete the required training for 2016. This matter is not resolved as one employee and one board member did not complete the required training for 2017.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the DeSoto Parish Fire Protection District No. 5 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Dees Gardner, Certified Public Accountants, LLC*

Dees Gardner, Certified Public Accountants, LLC  
Mansfield, Louisiana  
June 20, 2018

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

February 6, 2018

Dees Gardner CPAs, LLC  
122 Jefferson Street  
Mansfield, LA 71052

In connection with your review of our financial statements as of December 31, 2017 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 31, 2017.

**Public Bid Law**

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

Yes [] No [  ]

**Code of Ethics for Public Officials and Public Employees**

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

Yes [] No [  ]

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

Yes [] No [  ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No [  ]

**Accounting and Reporting**

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

Yes [] No [  ]

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

Yes [  ] No [  ]

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

Yes [] No [  ]

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

Yes [  ] No [  ]

**Meetings**

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

Yes [  ] No [  ]

**Debt**

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

Yes [  ] No [  ]

**Advances and Bonuses**

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

Yes [  ] No [  ]

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

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

Y. Melina Acosta Clerk 2/19/12 Date

Carla J. Murray Chairman 2/19/12 Date