

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

**Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana**

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
DECEMBER 31, 2019**

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INDEPENDENT AUDITOR'S REPORT



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

To the Board of Commissioners
Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of Northeast Bossier Parish Fire District No. 5, (the District) a component unit of the Bossier Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Northeast Bossier Parish Fire District No. 5 as of December 31, 2019, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

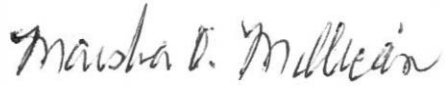
Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basis financial statements. The information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applies in the audit of the basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other procedures additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my reported dated June 24, 2020 on my consideration of Northeast Bossier Parish Fire District No. 5's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting's or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northeast Bossier Fire District No. 5's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Maisha D. Milliean".

Certified Public Accountant
June 24, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
P.O. BOX 810
PLAIN DEALING, LOUISIANA 71064

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion of the Northeast Bossier Parish Fire District No. 5's annual financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District had total net position of \$3,407,527 at year end which represents an increase from the prior year of \$243,645.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) in addition to the basic financial statements. These components are described below:

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the District - the **Government-wide Financial Statements** and the **Fund Financial Statements**. These financial statements also include the **Notes to the Financial Statements** that explain some of the information in the financial statements and provide additional detail.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2019**

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the District's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the District's financial position, which assists users in assessing the District's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid. The government wide financial statements include two statements:

- The *statement of net position* presents all of the District's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the District's net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *statement of activities* presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues (such as uncollected property taxes) and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

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

- *Governmental funds financial statements.* The services provided by the District are financed through 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, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2019**

Fund Financial Statements (continued)

These statements provide a detailed short-term view of the District's finances and assist in determining whether there will be adequate financial resources available to meet the current needs of the District.

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, users may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental financial statement.

The District has two governmental funds; both are considered major funds for presentation purposes. That is, each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The District's two governmental funds are: the General Fund and the Capital Projects Fund.

FINANCIAL ANALYSIS OF THE ENTITY

Net Position

Net position may serve over time as a useful indicator of the District's financial position. The District's assets exceeded liabilities by \$3,407,527 as of December 31, 2019.

The District's major assets are its fixed assets of \$1,052,600 representing its investments in capital assets such as land, buildings and improvements, equipment and furniture, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the citizens of the District; consequently, these assets are not available for future spending. Revenues to repay any related debt will be provided through assessments on property located within the District.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2019**

Net Position (Continued)

	Statement of Net Position	
	As of Year End	
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 2,683,510	\$ 2,506,063
Capital assets, net	1,052,600	1,101,607
Total Assets	<u>\$ 3,736,110</u>	<u>\$ 3,607,670</u>
Deferred outflows of resources	<u>0</u>	<u>0</u>
Other liabilities	\$ 22,563	\$ 21,788
Long-term liabilities	306,020	422,000
Total Liabilities	<u>328,583</u>	<u>443,788</u>
Deferred inflows of resources	<u>0</u>	<u>0</u>
Net position		
Investment in capital assets, net of related debt	746,580	679,607
Restricted	997,935	1,466,871
Unrestricted	1,663,012	1,017,404
Total Net Position	<u>3,407,527</u>	<u>3,163,882</u>
Total Liabilities and Net Position	<u>\$ 3,736,110</u>	<u>\$ 3,607,670</u>

Total net position of the District increased by \$243,645 from the previous fiscal year in Governmental Activities.

Changes in Net Position

	Statement of Activities	
	For the Year Ended	
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Revenues		
Charges for services	\$ 0	\$ 0
Capital grants and contributions	83,922	7,518
Ad Valorem taxes	596,464	598,811
Donations	0	0
Insurance Proceeds	2,041	0
Interest	6,123	6,237
Intergovernmental	7,910	7,893
Other revenues	13,950	4,255
Rental Income	1,800	450
Total revenue	<u>712,210</u>	<u>625,164</u>
Expenses		
General government	18,531	18,704
Public safety-fire protection	294,073	299,606
Interest	10,167	12,931
Loss on Capital Asset	0	0
Depreciation	145,794	157,129
Total expenses	<u>468,565</u>	<u>488,370</u>
Change in net position	<u>\$ 243,645</u>	<u>\$ 136,794</u>

The District's total revenues increased by \$87,046 from the previous fiscal year in Governmental Activities.

The total cost of all programs and services decreased \$19,805 from the previous fiscal year in Governmental Activities.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2019**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2019, totaled \$3,349,770 net of accumulated depreciation of \$2,297,170 leaving a book value of \$1,052,600. This investment in capital assets includes fire stations (land, building and improvements), fire trucks, firefighting and rescue equipment, office equipment and furniture.

Actual costs to purchase capital assets were \$96,787 for the year. Depreciation charges for the year totaled \$145,794.

	Capital Assets at Year End (Net of Depreciation)	
	Governmental Activities	
	2019	2018
Land	\$ 25,700	\$ 25,700
Buildings and other improvements	202,817	216,719
Equipment	<u>824,083</u>	<u>859,188</u>
Total	<u>\$ 1,052,600</u>	<u>\$ 1,101,607</u>

The following is the additions and retirements for the District as of December 31, 2019:

This year's major additions included:

	Governmental Activities
Land	\$ 0
Buildings	0
Equipment	<u>96,787</u>
Total	<u>\$ 96,787</u>

This year's major retirements included:

	Governmental Activities
Land	\$ 0
Buildings	0
Equipment	<u>0</u>
Total	<u>\$ 0</u>

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2019**

Debt Administration

The District did not enter into a capital lease agreement in 2019.

The District incurred new long-term debt of \$500,000 in 2017. The District reduced its debt by \$115,980. At December 31, 2019, total debt was \$306,020.

GENERAL FUND BUDGET

The District adopted a budget for its General Fund for the year ended December 31, 2019. There was one amendment to the original budget. The District's budgetary comparison is presented as required supplementary information as shown in the table of contents.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Ad valorem taxes
- 2) Intergovernmental revenues (state and local grants)

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Northeast Bossier Parish Fire District No. 5's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Danielle Vaughan, Secretary/Treasurer by telephone at (318) 326-4044 or P.O. Box 810 Plain Dealing, Louisiana 71064.

FINANCIAL STATEMENTS

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 STATEMENT OF NET POSITION
 December 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash	\$ 1,533,876
Investments	0
Accounts receivable	587,483
Construction in Progress	562,151
Capital assets, net	<u>1,052,600</u>
Total Assets	<u>3,736,110</u>
 Deferred outflows of resources	 <u>0</u>
LIABILITIES	
Current Liabilities	
Accounts payable	18,531
Payroll payable	4,032
Long-term liabilities	
Due within one year	82,000
Due in more than one year	<u>224,020</u>
Total Liabilities	<u>328,583</u>
 Deferred inflows of resources	 <u>0</u>
NET POSITION	
Net investment in capital assets, net of related debt	746,580
Restricted	997,935
Unrestricted	<u>1,663,012</u>
Total Net Position	\$ <u><u>3,407,527</u></u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities					
General government	\$ 18,531	\$ 0	\$ 0	\$ 0	\$ (18,531)
Public Safety-Fire Protection	294,073	0	0	83,922	(210,151)
Interest	10,167	0	0	0	(10,167)
Loss on Capital Asset	0	0	0	0	0
Depreciation, net	<u>145,794</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(145,794)</u>
Total Governmental Activities	<u>\$ 468,565</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 83,922</u>	<u>\$ (384,643)</u>
General Revenues					
Ad Valorem Taxes					596,464
Insurance Proceeds					2,041
Misc Income					0
Interest					6,123
Intergovernmental					7,910
Other Revenues					13,950
Rental Income					1,800
Gain on Sale of Capital Asset					<u>0</u>
Total General Revenues					<u>628,288</u>
Change in Net Position					243,645
Net Position, Beginning of year					<u>3,163,882</u>
Net Position, End of year					<u>\$ 3,407,527</u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 December 31, 2019

	General Fund	Capital Projects Fund	Total
Assets			
Cash	\$ 535,942	\$ 997,934	\$ 1,533,876
Investments	0	0	0
Accounts Receivable	587,483	0	587,483
Total Assets	\$ 1,123,425	\$ 997,934	\$ 2,121,359
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 18,531	\$ 0	\$ 18,531
Payroll payable	4,032	0	4,032
Unearned revenue	12,776	0	12,776
Total Liabilities	35,339	0	35,339
Fund Balances			
Assigned	0	997,934	997,934
Unassigned	1,088,086	0	1,088,086
Total Fund Balance	1,088,086	997,934	2,086,020
Total Liabilities and Fund Balances	\$ 1,123,425	\$ 997,934	\$ 2,121,359

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 December 31, 2019

Total Fund Balances for Governmental Funds (Exhibit C) \$ 2,086,020

Total Net Position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$	25,700	
Buildings and other improvements, net of \$170,110 in accumulated depreciation		202,817	
Equipment, furniture, and fixtures, net of \$2,127,060 in accumulated depreciation		824,083	
Construction in Progress		<u>562,151</u>	
Total Capital Assets			1,614,751

Other long-term assets are not available to pay for current-period expenditures and therefore are unearned in the government funds: 12,776

Long-term liabilities are not due and payable in the current period from current financial resources, and therefore are not reported in the government funds:

Long-term debt (306,020)

Total Net Position of Governmental Activities (Exhibit A) \$ 3,407,527

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	GENERAL FUND	CAPITAL PROJECT FUND	TOTAL
<u>REVENUES</u>			
Ad Valorem Taxes	\$ 591,020	\$ 0	\$ 591,020
Grant Revenue -FEMA	0	73,810	73,810
Grant Revenue	0	10,112	10,112
Insurance Proceeds	2,041	0	2,041
Donations	0	0	0
Interest	392	5,731	6,123
Intergovernmental	7,910	0	7,910
Rental Income	1,800	0	1,800
Other Revenues	13,950	0	13,950
	<u>617,113</u>	<u>89,653</u>	<u>706,766</u>
<u>EXPENDITURES</u>			
Current:			
General government	18,531	0	18,531
Public Safety	292,884	1,189	294,073
Capital Outlays	0	585,954	585,954
Debt Service:			
Interest	64	10,103	10,167
Principal retirement	0	115,980	115,980
	<u>311,479</u>	<u>713,226</u>	<u>1,024,705</u>
Excess (deficiency) of revenues over expenditures	305,634	(623,573)	(317,939)
Other financing sources (uses)			
Debt Service Proceeds	0	0	0
Disposition of asset	0	0	0
Misc Income	0	0	0
Transfers In (Out)	(154,636)	154,636	0
	<u>(154,636)</u>	<u>154,636</u>	<u>0</u>
Change in Fund Balances	150,998	(468,937)	(317,939)
Prior Year Adjustment	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>937,088</u>	<u>1,466,871</u>	<u>2,403,959</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,088,086</u>	<u>\$ 997,934</u>	<u>\$ 2,086,020</u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2019

Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$ (317,939)
The change in Net Position reported for governmental activities in the statement of activities is different because:	
Construction in progress is reported in the Statement of Net Position, however is not reported in the Fund Balance. Construction in progress additions for 2019 is \$489,167. Construction in progress includes the incomplete building on new station.	489,167
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$96,787) exceeds depreciation (\$145,794) in the current period.	(49,007)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net effect of prior year and current year deferred revenues.	5,444
The net effect of various transactions involving capital assets (sales, trade-ins, donated infrastructure, etc.) is to increase net assets.	0
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current resources of governmental funds. Neither transactions, however, has any effect on net assets. Net result of debt activity.	<u>115,980</u>
Change in Net Position of Governmental Activities (Exhibit B)	\$ <u><u>243,645</u></u>

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

The Northeast Bossier Parish Fire District No. 5 (“the District”) was created by the Bossier Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, on November 10, 1987 by ordinance number 2096. The District is governed by a five member board of commissioners appointed by the Bossier Parish Police Jury, the Town of Plain Dealing, and by the commissioners themselves. The Board of Commissioners received no compensation during 2019. The District constitutes a political subdivision of the State of Louisiana and is a component unit of the Bossier Parish Police Jury. The purpose of the District is to maintain and operate fire stations and equipment and to provide fire protection and emergency services to the residents of the District.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for the state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Northeast Bossier Parish Fire District No. 5 is discussed below.

B. Reporting Entity

The District is a component unit of the Bossier Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the 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 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.

C. Basic Financial Statements-Government-Wide Statements

The Northeast Bossier Parish Fire District No. 5’s basic financial statements include both government-wide (reporting the funds maintained by the District as a whole) and the fund financial statements (reporting the District’s major funds). Both the government-wide and the fund financial statements categorize primary activities as either governmental or business type. The District’s general fund and capital projects fund are classified as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The District’s net position are reported in three parts-invested in capital assets (net of related debt), restricted for capital projects, and unrestricted net position.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statements of Activities reports both the gross and the net cost of each of the District's functions. The functions are supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. The District had no program revenues. The net costs (by function) are normally covered by general revenues.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from current year's activities.

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the District are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Northeast Bossier Parish Fire District No. 5:

Governmental Funds- the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. General funds are the general operating funds of the District. They are used to account for all financial resources except those required to be accounted for in another fund.
- b. The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital assets.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District's general fund and capital projects fund were determined to be major funds in 2019.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Accounting- In accordance with Governmental Accounting Standards Board Statement No. 34, the District has presented a Statement of Net Position and a Statement of Activities for the District as a whole. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity - Interfund receivables and payables are eliminated in the Statement of Net Position.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Application of FASB Statements and Interpretations - Reporting on governmental type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets - Tangible or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, and buildings are recorded at their historical costs and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Position.

Program Revenues - The Statement of Activities presents two categories of program revenues - (1) charges for services; and (2) operating grants and contributions.

Charges for services are those revenues arising from exchange or exchange like transactions with external parties that purchase, use or directly benefit from the program's goods, services or privileges. Service charges (structure fees) are reported as charges for services.

Operating grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for operating purposes of a program. State revenue sharing and fire insurance rebates are reported as operating grants and contributions.

Restricted Net Position- Restricted net position are those for which a constraint has been imposed either externally or by law. Resources restricted for a specific purpose are exhausted before unrestricted net position are used.

Government-Wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government Fund Financial Statements - The Governmental 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Principal revenue sources considered as susceptible to accrual include property taxes, service fees, and interest on investments. Other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgeting and Budgetary Control

The District prepares a budget for the General Fund and uses the following budget practices:

1. A preliminary budget for the ensuing year is prepared by the board of commissioners prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted by the board of commissioners by voting at a meeting.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is established and controlled by the board of commissioners at the object level of expenditure. All changes in the budget must be approved by the board.
5. The budget is adopted on a cash basis. There were amendments to the 2019 budget.

Cash and Cash Equivalents

Cash includes amounts in petty cash, demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the District's investment policy. If the original maturities of time deposits exceed 90 days, they are classified as investments. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported as investment earnings.

Use of Estimates

The preparation of financial statements generally requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District's assets are recorded at historical cost. Capital assets are recorded as expenditures in the governmental fund financial statements. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is charged to expense as incurred. Depreciation expense is recorded in the government-wide financial statements using the straight-line method over the useful lives of the assets. All assets of the District are reported in the accompanying financial statements.

Compensated Absences

There are no accumulated and vested benefits relating to vacation and sick leave as the District has only part-time employees.

Long-term Obligations

In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability reported on the Statement of Net Position. In the fund financial statements, debt principal payments of the governmental funds are recognized as expenditures when paid.

Receivables

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectible accounts.

Governmental fund type receivables consist primarily of amounts due for property taxes and charges for services.

Unearned Revenue

Unearned revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Available is defined as due (or past due) at December 31, and collected within 60 days thereafter to pay obligations due at December 31.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Net Position/Fund Balances

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balances (Continued)

Net Investment in Capital Assets - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position - This category records net position that are restricted by external sources such as banks or by law are reported separately as restricted net position.

Unrestricted Net Position - This category represents net position not appropriate for expenditures or legally separated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Nonspendable - The nonspendable fund balances for governmental funds represent the amount that are not in a spendable form or are required to be maintained intact.

Restricted - The restricted fund balances for governmental funds represent the amount that has been constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation.

Committed - The committed fund balances for governmental funds represent the amount constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned- The assigned fund balances for governmental funds represent the amount a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned- The unassigned fund balances for governmental funds represent the amount that is available for any purpose; these amounts are reported only in the general fund.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2019
 (CONTINUED)

NOTE 2 CASH AND CASH EQUIVALENTS

At December 31, 2019, the District had cash and cash equivalents (book balances) totaling \$1,533,876 as follows:

	<u>Bank Balances</u>	<u>Book Balances</u>
Demand deposits	\$ <u>1,558,257</u>	\$ <u>1,533,876</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits 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 deposits 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 that is mutually acceptable to both parties. At December 31, 2019, deposits of \$250,000 were collateralized by FDIC insurance and deposits of \$1,308,257 were collateralized by securities held by the custodial bank in the name of the District (Category 3).

NOTE 3 INVESTMENTS

At December 31, 2019, the District had investments totaling \$0 consisting of certificates of deposit with initial maturities greater than 90 days. The certificates of deposits are carried at cost, which approximates market. The investments were fully secured from risk by federal deposit insurance.

NOTE 4 AD VALOREM TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Operating	24.85	22.5

NOTE 5 ACCOUNTS RECEIVABLE

General fund receivables as of December 31, 2019 consisted of ad valorem taxes receivable of \$587,483.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(CONTINUED)

NOTE 6 CAPITAL ASSETS

A summary of the District's capital assets at December 31, 2019 follows:

	Balance Dec. 31, 2018	Additions	Retirements	Balance Dec. 31, 2019
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 25,700	\$ -	\$ -	\$ 25,700
Total Capital Assets, not being depreciated	<u>25,700</u>	<u>-</u>	<u>-</u>	<u>25,700</u>
Capital Assets, being depreciated				
Buildings and other improvements	372,927	-	-	372,927
Less accumulated depreciation	(156,205)	(13,903)	-	(170,108)
Total Buildings and Building Improvements	<u>216,722</u>	<u>(13,903)</u>	<u>-</u>	<u>202,819</u>
Equipment, furniture and fixtures	2,854,356	96,787	-	2,951,143
Less accumulated depreciation	(1,995,171)	(131,891)	-	(2,127,062)
Total Equipment, Furniture and Fixtures	<u>859,185</u>	<u>(35,104)</u>	<u>-</u>	<u>824,081</u>
Total Capital Assets, being depreciated	<u>1,075,907</u>	<u>(49,007)</u>	<u>-</u>	<u>1,026,900</u>
Governmental Activities				
Total Capital Assets, net	<u>\$ 1,101,607</u>	<u>(49,007)</u>	<u>-</u>	<u>\$ 1,052,600</u>

Depreciation expense for the year ended December 31, 2019, was \$145,794. Construction in progress for the year ended December 31, 2019, was \$562,161 for the construction of the training center.

The District does not participate in any pension or retirement plan.

NOTE 8 RISK MANAGEMENT

The District purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the prior year.

NOTE 9 LONG-TERM DEBT

Changes in long-term debt are as follows:

	Balance 01/01/19	Proceeds	(Principal) (Payments)	Balance 12/31/19
Limited Tax Certificate of Indebtedness, Series 2017-LPFA	\$ 105,000	\$ -	\$ (21,000)	\$ 84,000
Limited Tax Certificate of Indebtedness, Series 2017-Citizens National Bank	317,000	-	(94,980)	222,020
Totals	<u>\$ 422,000</u>	<u>\$ -</u>	<u>\$ (115,980)</u>	<u>\$ 306,020</u>

Interest costs incurred and charged to expense for the year ended December 31, 2019 was \$10,103.

NOTE 9 LONG-TERM DEBT (CONTINUED)

On April 7, 2017 the District issued \$500,000 of Limited Tax Certificate of Indebtedness, Series 2017 for acquiring, constructing and improving fire protection facilities and equipment. Of the debt acquired \$375,000 of the Certificates were purchased by Citizens National Bank at the interest rate of 3.150% and the remaining \$125,000 of the Certificates were purchased by the Louisiana Public Facilities Authority at the interest rate of 1.575%.

The annual requirements to maturity for the limited tax certificate of indebtedness as of December 31, 2019 are as follows:

<u>Year Ending December 31,</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 90,324	\$ 82,000	\$ 8,324
2021	90,040	84,000	6,040
2022	90,678	87,000	3,678
2023	54,256	53,020	1,236
	<u>\$ 325,298</u>	<u>\$ 306,020</u>	<u>\$ 19,278</u>

NOTE 10 SUBSEQUENT EVENTS

On March 13, 2020, President Trump declared a national emergency relating to the COVID-19 virus. As of the date of this report, the pandemic is ongoing. Future potential impacts may include disruptions or restrictions on employees' ability to work. The future effects of this issue are unknown.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 BUDGETARY/GAAP REPORTING RECONCILIATION
 DECEMBER 31, 2019

	<u>ACTUAL ON GAAP BASIS</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>ACTUAL ON BUDGETARY BASIS</u>
<u>REVENUES</u>			
Ad Valorem Tax	\$ 591,020	\$ 12,997	\$ 604,017
Grant Revenue	83,922	0	83,922
Insurance Proceeds	2,041	0	2,041
Donations	0	0	0
Interest	6,123	0	6,123
Intergovernmental	7,910	0	7,910
Other Revenues	13,950	0	13,950
Rental Income	<u>1,800</u>	<u>0</u>	<u>1,800</u>
Total revenues	<u>706,766</u>	<u>12,997</u>	<u>719,763</u>
<u>EXPENDITURES</u>			
General Government	18,531	0	18,531
Public Safety	294,073	0	294,073
Interest	10,167	0	10,167
Capital Outlay	<u>585,954</u>	<u>0</u>	<u>585,954</u>
Total Expenditures	<u>908,725</u>	<u>0</u>	<u>908,725</u>
Excess/ (Deficiency) of Revenues Over Expenditures	(201,959)	12,997	(188,962)
Other Financing Sources/(Uses)	<u>(115,980)</u>	<u>0</u>	<u>0</u>
Excess/ (Deficiency) of Revenues Over Expenditures Prior Year Adjustment	(317,939)	<u>12,997</u>	<u>(188,962)</u>
Fund Balance Beginning of Year	<u>2,403,959</u>		
Fund Balance End of Year	<u>\$ 2,086,020</u>		

See accompanying notes to the financial statements.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS- BUDGET AND ACTUAL (CASH BASIS)-GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY) BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Ad Valorem Tax	\$ 618,193	\$ 593,214	\$ 604,017	\$ 10,803
Grant Revenue	0	83,922	83,922	0
Insurance Proceeds	0	2,041	2,041	0
Donations	0	0	0	0
Interest	0	3,785	6,123	2,338
Intergovernmental	0	7,910	7,910	0
Other Revenues	0	13,135	13,950	815
Rental Income	0	1,500	1,800	300
Total revenues	618,193	705,507	719,763	14,256
EXPENDITURES				
General Government	19,500	19,500	18,531	969
Public Safety	357,000	318,100	294,073	24,027
Interest	15,000	15,000	10,167	4,833
Capital Outlay	226,693	600,000	585,954	14,046
Total Expenditures	618,193	952,600	908,725	43,875
Excess/ (Deficiency) of Revenues Over Expenditures	0	(247,093)	(188,962)	58,131
Other Financing Sources/(Uses)	0	0	0	0
Excess/ (Deficiency) of Revenues Over Expenditures	0	(247,093)	(188,962)	58,131
Fund Balance				
Beginning of Year	2,403,959	2,403,959	2,403,959	0
Fund Balance				
End of Year	\$ 2,403,959	\$ 2,156,866	\$ 2,214,997	\$ 58,131

See accompanying notes to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO AGENCY HEAD
 FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Purpose</u>	Fire Chief, Jason F. Vaughan Jan. 1-Dec. 31
Salary	\$ 11,495
Payroll taxes	879
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Special meals	0
	<hr/>
Total Compensation, Benefits and Other Payments	\$ <u><u>12,374</u></u>

See accompanying notes to the financial statements.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

To the Board of Commissioners
Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities of Northeast Bossier Parish Fire District No. 5, a component unit of the Bossier Parish Police Jury as of December 31, 2019 and related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated June 24, 2020.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

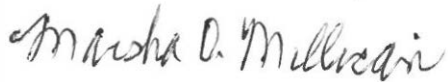
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northeast Bossier Parish Fire District No. 5's

provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant
June 24, 2020



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

To the Board of Commissioners
Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Board of Commissioners of the Northeast Bossier Parish Fire District No. 5 (the District) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed Upon Procedures (SAUPS) for the fiscal year January 1 through December 31, 2019. The District's management is responsible for those control and compliance areas identified in the SAUPS.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the Council. 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.

My procedures and associated findings are enumerated below.

Written Policies and Procedures

(The following written policies and procedures were not reviewed since there were no exceptions for the prior year, with the exception of the new policy added for Year 3, Disaster Recovery/ Business Continuity).

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

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Procedure Results - No exceptions noted.

Board or Finance Committee

(The following procedures were not performed since there were no exceptions in the prior year.)

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

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

Bank Reconciliations

(The following procedures were not performed since there were no exceptions in the prior year.)

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

Collections

(The following procedures were not performed since there were no exceptions in the prior year.)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledger, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

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

(The following procedures were not performed since there were no exceptions in the prior year.)

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

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the entity has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- 10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

(The following procedures were not performed since there were no exceptions in the prior year.)

- 11 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 12 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved in writing (or electronically approved) by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

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

Travel and Expense Reimbursement

(The following procedures were not performed since there were no exceptions in the prior year.)

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

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

Contracts

(The following procedures were not performed since there were no exceptions in the prior year.)

15 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly, select 5 contracts (or all contracts if less than 5) from the listing and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change orders, observe that the original contract terms provided for such an amendment.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employee's/official, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly, select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees/officials' authorized pay rates in the employees/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

(The following procedures were not performed since there were no exceptions in the prior year.)

20. Using the 5 randomly selected employees/officials from procedure #16 under 'Payroll and Personnel' above, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

(The following procedures were not performed since there were no exceptions in the prior year.)

- 21 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each bond/note issued.
- 22 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

(The following procedures were not performed since there were no exceptions in the prior year.)

- 23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor or the district attorney of the parish in which the entity is domiciled.
- 24 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

I was not engaged and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. 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.

This report is intended solely for the information and use of the District and the LLA, and is not intended to be, and should not be, used by anyone other than the specified parties. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:514, this report is distributed by the LLA as a public document.



Certified Public Accountant
June 22, 2020