

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

FINANCIAL STATEMENTS
December 31, 2016

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5
Stanley, Louisiana
FINANCIAL REPORT
December 31, 2016

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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, 2016, 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 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 schedule of compensation, benefits, and other payments to the agency head or chief executive officer, as listed in the table of contents, is required by Louisiana state statute.

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 27, 2017, on the results of our agreed-upon procedures on pages 30-32. Also presented as required is the Louisiana Attestation Questionnaire.

Dees Gardner, CPAs, LLC

Mansfield, Louisiana
June 27, 2017

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

December 31, 2016

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, 2016. 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 \$198,482 or 8.01% during the year. At December 31, 2016, the assets of the Fire District exceeded its liabilities by \$2,677,865.

DeSoto Parish Fire Protection District No. 5's total revenues decreased \$34,781 or 7.83% to \$409,227 in 2016 from \$444,008 in 2015.

Ad valorem tax revenue (property taxes) decreased \$36,037 (8.39%) to \$393,423 during the year reported compared to a decrease of \$6,390 (1.47%) in 2015.

DeSoto Parish Fire Protection District No. 5's governmental fund balance decreased \$152,770 or 17.72%.

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

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December 31, 2016

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, 2016, the Fire District's assets exceed its liabilities by \$2,677,865 (net position).

Approximately 61.49% (\$1,646,536) of the Fire District's net position reflects capital assets consisting of firefighting equipment, fire trucks, buildings and improvements, with a historical cost of \$3,007,664 less accumulated depreciation of \$1,361,127 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 \$1,031,328 or 38.51% of total net position as of December 31, 2016, 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

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December 31, 2016

A Summary of Statement of Net Position is as follows:

ASSETS	Governmental Activities	
	2016	2015
Cash and cash equivalents	\$ 648,629	\$ 447,523
Accounts receivable	369,391	419,138
Prepaid insurance	16,561	15,331
Capital assets, net of accumulated depreciation	1,646,537	1,602,055
Total assets	<u>\$ 2,681,118</u>	<u>\$ 2,484,047</u>
LIABILITIES		
Current liabilities	\$ 3,253	\$ 4,664
Total liabilities	<u>\$ 3,253</u>	<u>\$ 4,664</u>
NET POSITION		
Net investment in capital assets	\$ 1,646,537	\$ 1,602,055
Unrestricted	1,031,328	877,328
Total net position	<u>\$ 2,677,865</u>	<u>\$ 2,479,383</u>

The Summary of the Statement of Activities that follows compares revenues and expenses for the current and previous year. Total revenues decreased by 7.83 percent from last year. Ninety-six percent of the Fire District's total revenues come from property taxes (ad valorem taxes) and 2.8 percent from other state sources. Total expenses increased 20.66 percent (\$36,090) over the prior year.

Ad valorem tax revenue for the Fire District decreased by \$36,037, or 8.39%.

Expenses of the Fire District, without depreciation, increased \$28,417 (29.96%) from 2015. Depreciation expense made up 41.51% of total expenses for December 31, 2016 compared to 45.70% of total expenses in 2015.

The Fire District increased its net position 8.01% for year ended December 31, 2016.

A Summary of Statement of Activities is as follows:

	Governmental Activities	
	2016	2015
Program Revenues:		
Grants/Contributions	\$ 3,500	\$ 1,000
General Revenues:		
Ad Valorem Taxes	393,423	429,460
Intergovernmental revenues	11,149	12,281
Other income	12	246
Interest income	1,143	1,021
Total revenues	<u>409,227</u>	<u>444,008</u>
Expenses		
Public Safety	<u>210,745</u>	<u>174,655</u>
Total expenses	<u>210,745</u>	<u>174,655</u>
Increases in net position	<u>198,482</u>	<u>269,353</u>
Net Position, beginning	<u>2,479,383</u>	<u>2,210,030</u>
Net Position, ending	<u>\$ 2,677,865</u>	<u>\$ 2,479,383</u>

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

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December 31, 2016

FINANCIAL ANALYSIS OF THE FIRE DISTRICT'S GOVERNMENTAL FUNDS

For the year ended December 31, 2016, differences between the government-wide presentation and the fund financial statements were due to acquisition of capital outlays, depreciation changes associated with capital assets, prepayment of expenses. During 2016, the fund balance of the General Fund increased \$152,770 (17.72%) to \$1,014,767 compared to \$861,997 for the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Fire District adopted a budget for its General Fund for the year ended December 31, 2016. The budget was not amended during the year. Total actual revenues were more than budgeted revenues by \$20,074. Total actual expenditures were \$291,453 (114%) less 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, 2016

	Governmental Funds Financial Statements Balance Sheet General Fund	Adjustments	Government-wide Statements Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 648,629	\$ -	\$ 648,629
Accounts receivable	369,391	-	369,391
Prepaid expenses	-	16,561	16,561
Capital assets, net of depreciation	-	1,646,537	1,646,537
TOTAL ASSETS	<u>\$ 1,018,020</u>	<u>1,663,098</u>	<u>2,681,118</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 2,131	-	2,131
Payroll liabilities	1,122	-	1,122
Total current liabilities	<u>3,253</u>	<u>-</u>	<u>3,253</u>
TOTAL LIABILITIES	<u>3,253</u>	<u>-</u>	<u>3,253</u>
FUND BALANCE / NET POSITION			
Fund Balances:			
Unassigned	1,014,767	(1,014,767)	-
TOTAL FUND BALANCES	<u>1,014,767</u>	<u>(1,014,767)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,018,020</u>	<u>2,677,865</u>	<u>-</u>
Net Position:			
Net investment in capital assets		1,646,537	1,646,537
Unrestricted		1,031,328	1,031,328
TOTAL NET POSITION		<u>\$ -</u>	<u>\$ 2,677,865</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, 2016

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

Fund Balances, Total Governmental Fund	\$	1,014,767
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the government fund		1,646,537
Prepayments recorded using the nonallocation method are not considered expendable financial resources and are not reported in the government fund		<u>16,561</u>
Net Position of Governmental Activities	\$	<u><u>2,677,865</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, 2016

	Governmental Funds Financial Statements			Government-wide Statements
	Statement of Revenues Expenditures, and Changes in Fund Balance			Statement of Activities
	General Fund	Adjustments		
EXPENDITURES/EXPENSES				
Public Safety-Fire				
Personnel and related benefits	\$ 17,698	\$ -	\$	17,698
Materials and supplies	75,511	(1,230)		74,281
General and administrative	31,279	-		31,279
Capital outlays	131,969	(131,969)		-
Depreciation	-	87,487		87,487
TOTAL EXPENDITURES/EXPENSES	<u>256,457</u>	<u>(45,712)</u>		<u>210,745</u>
PROGRAM REVENUES				
Charges for services	-	-		-
Operating grants & contributions	3,500	-		3,500
Capital grants & contributions	-	-		-
TOTAL PROGRAM REVENUES	<u>3,500</u>	<u>-</u>		<u>3,500</u>
NET PROGRAM EXPENSE	(252,957)	45,712		(207,245)
GENERAL REVENUES				
Ad valorem taxes	393,423	-		393,423
State revenue sharing	3,707	-		3,707
Interest earnings	1,143	-		1,143
Fire insurance rebate	7,442	-		7,442
Other income	12	-		12
TOTAL GENERAL REVENUES	<u>405,727</u>	<u>-</u>		<u>405,727</u>
NET CHANGE IN FUND BALANCE/ CHANGE IN NET POSITION	152,770	45,712		198,482
FUND BALANCE / NET POSITION				
Beginning of the year	861,997			2,479,383
End of the year	\$ <u>1,014,767</u>		\$	<u>2,677,865</u>

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, 2016

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

Net Change in Fund Balances, Governmental Fund	\$	152,770
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.		1,230
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund:		
Depreciation expense (\$87,487) less than capital outlays (\$131,969)		44,482
Change in Net Position of Governmental Activities	\$	198,482

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, 2016

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 1,680 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 (GWFS)

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, 2016

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 (FFS)

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, 2016

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

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NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2016

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, 2016.

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, 2016

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 \$1,014,767.

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, 2016

2. CASH AND INTEREST-BEARING DEPOSITS

At December 31, 2016, the Fire District had cash and cash equivalents totaling \$648,629 (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, 2016, the Fire District had \$654,012 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal deposit insurance and \$404,012 of pledged securities with a total market value of \$1,925,212.

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, 2016:

Ad valorem taxes	\$	368,117
State revenue sharing		1,274
	\$	<u>369,391</u>

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2016

4. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2016 are as follows:

<u>Governmental Activities</u>	<u>Balance December 31, 2015</u>	<u>Additions</u>	<u>Deletions / Reclassifications</u>	<u>Balance December 31, 2016</u>
Vehicles	\$ 1,120,718	\$ 58,571	\$ -	\$ 1,179,289
Buildings	718,270	760,555	-	1,478,825
Firefighting Equipment	346,675	2,875	-	349,550
Construction in Progress	690,032	-	(690,032)	-
Total	<u>2,875,695</u>	<u>822,001</u>	<u>(690,032)</u>	<u>3,007,664</u>
Less accumulated depreciation				
Vehicles	837,958	58,673		896,631
Buildings	97,101	26,745		123,846
Firefighting Equipment	338,581	2,069		340,650
Total	<u>1,273,640</u>	<u>87,487</u>	<u>-</u>	<u>1,361,127</u>
Capital assets, net	\$ <u>1,602,055</u>	\$ <u>734,514</u>	\$ <u>(690,032)</u>	\$ <u>1,646,537</u>

Depreciation expense of \$87,487 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, 2016
Levy date	June 30, 2016
Tax bills mailed	October 15, 2016
Total taxes are due	December 31, 2016
Penalties & interest added	January 31, 2017
Tax sale	May 15, 2017

The Fire District has authorized a 10.0 mills ad valorem tax millage for 2016. 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 \$42,009,838 in 2016. 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 \$2,667,534 in 2016. The net ad valorem tax assessed for the Fire District for 2016 was \$393,423. Total of ad valorem tax revenues recognized in 2016 by the Fire District was \$393,423.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2016

5. LEVIED TAXES (continued)

The following are the principal taxpayers for the Fire District (2016 amounts):

	TYPE OF BUSINESS	ASSESSED VALUATION	% OF TOTAL TAXABLE VALUATION	AD VALOREM TAX REVENUE FOR FIRE DISTRICT
Chesapeake Operating, Inc.	Oil & Gas	\$ 8,603,458	20.48%	\$ 80,573
Enterprise Gathering LLC	Oil & Gas	5,404,979	12.87%	\$ 50,634
Enable Midstream Partnership	Oil & Gas	3,926,372	9.35%	\$ 36,785
Comstock Oil & Gas	Oil & Gas	3,565,671	8.49%	\$ 33,402
Louisiana Midstream Gas	Oil & Gas	1,590,160	3.79%	\$ 14,911
Southwestern Electric	Utility	1,457,083	3.47%	\$ 13,652
Northeast Texas Electric	Utility	1,379,004	3.28%	\$ 12,904
Bengas Midstream, LLC	Oil & Gas	1,350,270	3.21%	\$ 12,629
MRD Operating, LLC	Oil & Gas	1,203,026	2.86%	\$ 11,252
CrossTex LIG, LLC	Oil & Gas	768,149	1.83%	\$ 7,200
Total		<u>\$ 29,248,172</u>	<u>49.15%</u>	<u>\$ 193,369</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, 2016.

7. LITIGATION

There is no litigation pending against the Fire District, at December 31, 2016, 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. Rent expense for the year was \$1.

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, 2016

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 \$1,017 for the year ended December 31, 2016.

12. SUBSEQUENT EVENTS

Management has performed an evaluation of the Fire District's activities through June 27, 2017, 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, 2016

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final	Actual	Adjustments to Budgetary Basis		
				Actual Amounts (Budgetary Basis)		
Revenues						
Ad valorem taxes	\$ 428,000	\$ 428,000	\$ 393,423	\$ 51,021	\$ 444,444	\$ 16,444
Intergovernmental revenue- state funds						
Fire insurance rebate	6,900	6,900	7,442	-	7,442	542
State revenue sharing	3,000	3,000	3,707	(1,274)	2,433	(567)
Contributions	-	-	3,500	-	3,500	3,500
Other revenues	1,000	1,000	12	-	12	(988)
Interest income	-	-	1,143	-	1,143	1,143
Total Revenues	<u>438,900</u>	<u>438,900</u>	<u>409,227</u>	<u>49,747</u>	<u>458,974</u>	<u>20,074</u>
Expenditures						
Current:						
Public safety-fire						
Personnel and related benefits	16,500	16,500	17,698	(115)	17,583	(1,198)
Materials and supplies	65,450	65,450	75,511	1,525	77,036	(10,061)
General and administrative	45,210	45,210	31,279	1,230	32,509	13,931
Capital outlays	420,750	420,750	131,969	-	131,969	288,781
Total Expenditures	<u>547,910</u>	<u>547,910</u>	<u>256,457</u>	<u>-</u>	<u>259,097</u>	<u>291,453</u>
Net Change in Fund Balance	(109,010)	(109,010)	152,770	49,747	199,877	(271,379)
Fund balances, beginning of year	861,997	861,997	861,997	-	861,997	-
Fund balances, end of year	<u>\$ 752,987</u>	<u>\$ 752,987</u>	<u>\$ 1,014,767</u>	<u>\$ 51,021</u>	<u>\$ 1,061,874</u>	<u>\$ 308,887</u>

See independent accountant's review report.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5
Stanley, Louisiana
NOTE TO BUDGETARY COMPARISON SCHEDULE
December 31, 2016

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 21, 2015.

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 not amended during the year ending December 31, 2016. For the year ended December 31, 2016, actual revenues were more than budgeted amounts and actual expenditures were less than appropriations. The Fire District is in 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, 2016

Todd Kreamer, Fire Chief

Purpose	Amount
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	550
Travel	-
Registration fees	250
Conference travel	848
Training	180
Housing	-
Unvouchered expenses	-
Special meals	-
Total	<u>\$ 10,646</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, 2016, 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. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

One expenditure was made during the year for materials and supplies exceeding \$30,000. A brush truck was purchased through an existing public contract of another political subdivision in accordance with R.S. 38:321.1 Act 510. There was one public works project, which was completed in 2016, exceeding \$150,000 which was bid in accordance with the public bid law. Bids for the Fire District's Central station were approved April 20, 2015.

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), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

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.

Budgeting

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

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

6. Trace the budget adoption and amendments to the minute book.

The Board adopted the original budget on December 21, 2015. It was not amended.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more and if actual expenditures exceed 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 did not exceed budgeted amounts.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

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) determine if payments were properly coded to the correct fund and general ledger account;

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

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting the selected disbursements indicated approvals from a board member.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:4.1 through 42:13 (the open meeting law).

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

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected all deposits for the period under examination and found no indication of new bank loans, bonds, or like indebtedness in 2016.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

A reading of the minutes of the district for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

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

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

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.

Recommendation: The District should appoint an individual to oversee all those required to have completed their required ethics certifications and retain copies of the certificates of completion.

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

Prior-Year Comments and Recommendations

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

Budget Finding. Resolved.

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, CPAs, LLC

Dees Gardner, Certified Public Accountants, LLC
Mansfield, Louisiana
June 27, 2016

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

April 26, 2017

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

In connection with your review of our financial statements as of December 31, 2016 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, 2016.

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.

Russell E. Conty Clerk 5/15/17 Date

Celia J. Manning Chairman 5-15-17 Date