

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE  
TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2018  
AND FOR THE YEAR THEN ENDED

WITH  
INDEPENDENT AUDITOR'S REPORT



**SILAS SIMMONS** LLP  
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS



**FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA**

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**FIRE PROTECTION DISTRICT NO. 1  
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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners  
Fire Protection District No. 1 of Tensas Parish, Louisiana  
St. Joseph, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Fire Protection District No. 1 of Tensas Parish, Louisiana, a component unit of the Tensas Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire Protection District No. 1 of Tensas Parish, Louisiana as of December 31, 2018, and the respective changes in financial position for the year then ended in conformity 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 on pages 4 through 7 and the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 26 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fire Protection District No. 1 of Tensas Parish, Louisiana's basic financial statements. The Schedule of Insurance Coverage; the Schedule of Compensation of the Governing Board; and the Schedule of Compensation, Benefits, and other Payments to Agency Head or Chief Executive Officer, described in the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Insurance Coverage; the Schedule of Compensation of the Governing Board; and the Schedule of Compensation, Benefits, and other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Insurance Coverage; the Schedule of Compensation of the Governing Board; and the Schedule of Compensation, Benefits, and other Payments to Agency Head or Chief Executive Officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2019, on our consideration of the District's internal control over financial reporting and on our 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

This report is intended for the information of the Members of the District, the Tensas Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Silas Simmons, LLP*

Natchez, Mississippi  
March 21, 2019

**SECTION I**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**



FIRE PROTECTION DISTRICT NO. 1 OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2018

Our discussion and analysis of Fire Protection District No. 1 of Tensas Parish, Louisiana's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2018.

The District's main fire station is located on Plank Road in St. Joseph, Louisiana. The District provides fire protection for all of Tensas Parish, Louisiana, with fire stations located in ten locations. The District operates primarily with volunteers and three full-time employees.

**FINANCIAL HIGHLIGHTS**

- General revenues were \$524,948 in 2018, compared to \$541,119 in 2017.
- General expenditures were \$614,768 in 2018, compared to \$553,282 in 2017.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in 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 fiscal year.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and sales taxes. Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 8 through 9 of this report.

**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 governmental fund financial statements can be found on pages 10 through 13 of this report.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 25 of this report.

**FIRE PROTECTION DISTRICT NO. 1 OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following is a summary of the net position at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 416,928	\$ 459,534
Capital assets	<u>734,345</u>	<u>434,827</u>
Total assets	<u>\$ 1,151,273</u>	<u>\$ 894,361</u>
Deferred outflow of resources	<u>\$ 81,865</u>	<u>\$ 86,013</u>
Current liabilities	\$ 241,022	\$ 161,002
Long-term liabilities	<u>689,185</u>	<u>438,050</u>
Total liabilities	<u>\$ 930,207</u>	<u>\$ 599,052</u>
Deferred inflow of resources	<u>\$ 38,387</u>	<u>\$ 26,958</u>
Net position		
Investment in capital assets (net of related debt)	\$ 297,929	\$ 291,557
Unrestricted	<u>(33,385)</u>	<u>62,807</u>
Total net position	<u>\$ 264,544</u>	<u>\$ 354,364</u>

The following is a summary of the statement of activities for 2018 and 2017:

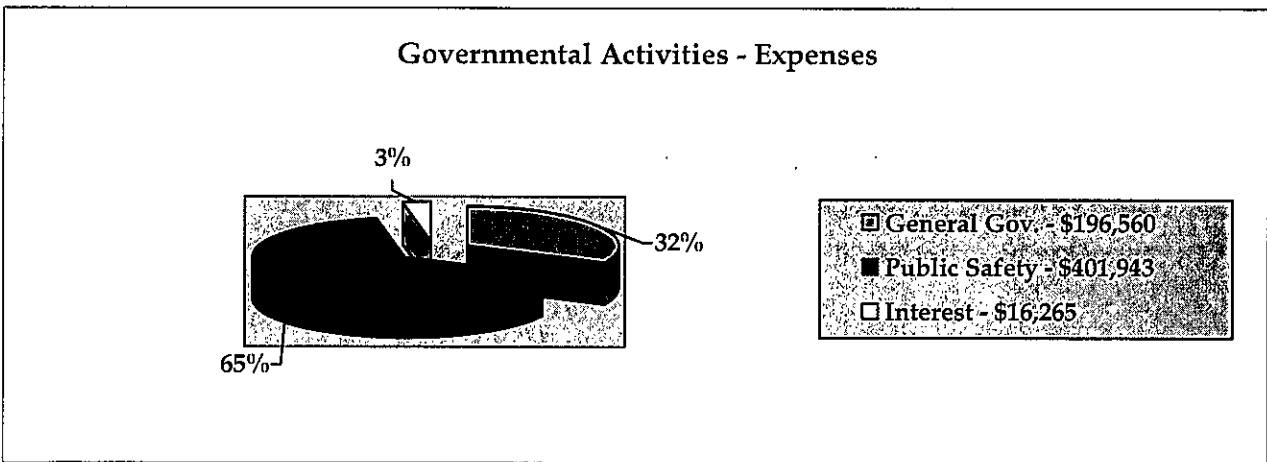
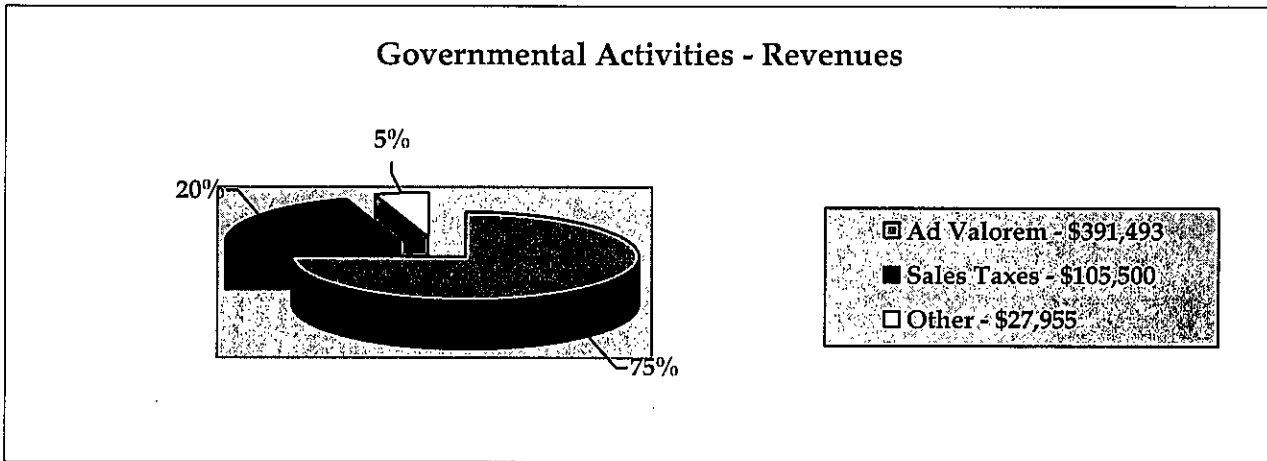
	<u>2018</u>	<u>2017</u>
Revenues		
Taxes	\$ 496,993	\$ 517,435
Other	<u>27,955</u>	<u>23,684</u>
Total revenues	<u>\$ 524,948</u>	<u>\$ 541,119</u>
Expenses		
General and administrative	\$ 196,560	\$ 192,833
Public safety - fire	401,943	354,922
Debt service - interest	<u>16,265</u>	<u>5,527</u>
Total expenses	<u>\$ 614,768</u>	<u>\$ 553,282</u>
Decrease in net position	\$ (89,820)	\$ (12,163)
Net position - beginning of year	<u>354,364</u>	<u>366,527</u>
Net position - end of year	<u>\$ 264,544</u>	<u>\$ 354,364</u>

FIRE PROTECTION DISTRICT NO. 1 OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2018

The following are graphical representations of information presented in the Statement of Activities for Governmental Activities in 2018:



**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's budget was amended during the year.

The actual general fund expenditures were \$6,556 less than the budgeted amounts.

Revenues available for expenditure were \$7 more than the budgeted amounts.

FIRE PROTECTION DISTRICT NO. 1 OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2018

CAPITAL ASSETS

At the end of the year, the District had \$297,929 invested in capital assets (net of related debt), including land, buildings, furniture, fire-fighting equipment, and vehicles. This year there were additions of \$427,571 in capital assets. More detailed information about the District’s capital assets is presented in Note 4 of the financial statements.

The additions in 2018 included the following:

Two Tanker Trucks	\$	399,578
Various other equipment		<u>27,993</u>
	\$	<u>427,571</u>

DEBT

At year end, the District had \$436,416 in capital leases outstanding.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Taking all factors into consideration, the District’s general fund balance is expected to remain unchanged by the close of 2019.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Ricky Jones, Fire Chief, 205 Hancock Street, St. Joseph, Louisiana 71366, (318) 766-3004.

**SECTION II**  
**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

STATEMENT OF NET POSITION

DECEMBER 31, 2018

**ASSETS**

Cash	\$ 272,938
Receivables, net	118,085
Deposits	1,500
Prepaid assets	24,405
Capital assets, net	<u>734,345</u>
Total assets	<u>\$ 1,151,273</u>

Deferred outflows of resources	<u>\$ 81,865</u>
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**LIABILITIES**

Accounts payable	\$ 72,272
Accrued liabilities	18,698
Accrued compensated absences	42,741
Capital leases payable - current portion	107,311
Capital leases payable - long-term portion	329,105
Net pension liabilities	<u>360,080</u>
Total liabilities	<u>\$ 930,207</u>

Deferred inflows of resources	<u>\$ 38,387</u>
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**NET POSITION**

Invested in capital assets, net of related debt	\$ 297,929
Unrestricted	<u>(33,385)</u>
Total net position	<u>\$ 264,544</u>

The accompanying notes are an integral part of this financial statement.

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

STATEMENT OF ACTIVITIES

DECEMBER 31, 2018

**GENERAL REVENUES**

Taxes		
Ad valorem taxes	\$	391,493
Sales tax		105,500
Interest earnings		216
Other revenues		<u>27,739</u>
Total general revenues	\$	<u>524,948</u>

**GENERAL EXPENSES**

Governmental activities		
General government	\$	196,560
Public safety - fire		401,943
Interest expense		<u>16,265</u>
Total general expenses	\$	<u>614,768</u>
Change in net position	\$	(89,820)
Net position, beginning of year		<u>354,364</u>
Net position, end of year	\$	<u><u>264,544</u></u>

The accompanying notes are an integral part of this financial statement.



**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS

DECEMBER 31, 2018

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>		
Cash	\$ 272,938	\$ 272,938
Receivables (net of allowance for uncollectibles)	118,085	118,085
Deposits	1,500	1,500
Prepaid assets	24,405	24,405
Total assets	<u>\$ 416,928</u>	<u>\$ 416,928</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
Accounts payable	\$ 72,272	\$ 72,272
Accrued liabilities	18,698	18,698
Total current liabilities	<u>\$ 90,970</u>	<u>\$ 90,970</u>
Fund balance		
Unassigned	\$ 325,958	\$ 325,958
Total fund balance	<u>\$ 325,958</u>	<u>\$ 325,958</u>
Total liabilities and fund balance	<u>\$ 416,928</u>	<u>\$ 416,928</u>

The accompanying notes are an integral part of this financial statement.

**FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

DECEMBER 31, 2018

Total Fund Balances for Governmental Funds (Statement C)	\$	325,958
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used by governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Cost of capital assets	\$	2,363,801
Less accumulated depreciation	<u>(1,629,456)</u>	734,345
Deferred outflows and inflows are not financial resources or currently payable		
Deferred outflows	\$	81,865
Deferred inflows	<u>(38,387)</u>	43,478
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund liabilities.		(436,416)
Accrued compensated absences liability		(42,741)
Net pension liability		<u>(360,080)</u>
Total Net Position of Governmental Activities (Statement A)	\$	<u>264,544</u>

The accompanying notes are an integral part of this financial statement.

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANASTATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2018

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>		
Taxes		
Ad valorem taxes	\$ 391,493	\$ 391,493
Sales tax	105,500	105,500
Interest earnings	216	216
Other revenues	27,739	27,739
Total revenues	<u>\$ 524,948</u>	<u>\$ 524,948</u>
<b><u>EXPENDITURES</u></b>		
General government	\$ 180,501	\$ 180,501
Public safety - fire	276,282	276,282
Capital outlay	427,571	427,571
Debt service		
Principal retirement	106,432	106,432
Interest expense	16,265	16,265
Total expenditures	<u>\$ 1,007,051</u>	<u>\$ 1,007,051</u>
Excess of revenues under expenditures	<u>\$ (482,103)</u>	<u>\$ (482,103)</u>
<b><u>Other Financing Sources</u></b>		
Capital Lease	<u>\$ 399,578</u>	<u>\$ 399,578</u>
Total other financing sources	<u>\$ 399,578</u>	<u>\$ 399,578</u>
Net change in fund balance	<u>\$ (82,525)</u>	<u>\$ (82,525)</u>
Fund balance, beginning of year	<u>\$ 408,483</u>	<u>408,483</u>
Fund balance, end of year	<u>\$ 325,958</u>	<u>\$ 325,958</u>

The accompanying notes are an integral part of this financial statement.

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

Net Changes in Fund Balance – Governmental Fund (Statement E) \$ (82,525)

Amounts reported for governmental activity in the Statement of Activities is different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlays	\$ 427,571	
Depreciation expense	<u>(111,994)</u>	315,577

The net effect of the disposal of capital assets is a decrease to net position (16,059)

Expenditures in the Statement of Activities that do not involve current financial resources:

Accrued compensated absences expense increase	\$ (3,885)	
Net changes in assumptions related to pensions	<u>36,086</u>	32,201

Governmental funds report debt service payments as expenditures and funds borrowed as revenues. However, in the Statement of Activities, repayments of principal of indebtedness reduce long-term liabilities in the Statement of Net Position, and loan proceeds increase long-term liabilities:

Repayment of long-term liabilities	\$ 106,432	
Borrowing of long-term liabilities	<u>(399,578)</u>	(293,146)

Net pension expense is reported in governmental funds as expenditures as they are paid. However, in the Statement of Activities, the net pension expense is reported according to estimates required by GASB 68:

Pension expenses paid	\$ 19,748	
Pension expenses per GASB 68	<u>(65,616)</u>	<u>(45,868)</u>

Change in Net Position per Statement of Activities (Statement B) \$ (89,820)

The accompanying notes are an integral part of this financial statement.

**NOTES TO FINANCIAL STATEMENTS**

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

INTRODUCTION

1. The Tensas Parish Police Jury created the Fire Protection District No. 1 of Tensas Parish, Louisiana May 25, 1999, by resolution. The District operates in compliance with Part I Chapter 7, Title 40 of the Louisiana Revised Statutes of 1950.
2. The purpose of the District is to provide fire protection for Tensas Parish, Louisiana.
3. The District's boundaries are all of Tensas Parish, Louisiana. Tensas Parish is located in Northeast Louisiana and has a population of 4,900.
4. A Board of Commissioners of five members governs the District, two of which are appointed by the Tensas Parish Police Jury, and three are appointed by the town of St. Joseph, Louisiana. The Board members are presently serving without compensation.
5. The District had three paid full-time employees during 2018.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of the Fire Protection District No. 1 of Tensas Parish, Louisiana have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. 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 Statement - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. Reporting Entity

The District does not possess all the corporate powers necessary to make it a legally separate entity from the Tensas Parish Police Jury which holds the District's corporate powers. For this reason, the District is a component unit of the Tensas Parish Police Jury, the financial reporting entity.

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

C. Fund Accounting

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.



FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

Governmental Funds

Governmental funds account for all or most of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities 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 of the District. The following is a description of the District's fund:

1. General Fund - the primary operating fund of the District, and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

D. Measurement Focus/Basis of Accounting

Fund Financial Statements

The amounts reflected in the governmental funds of Statements C and D are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations.

The amounts reflected in the governmental funds of Statements C and D use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus/Basis of Accounting (continued)

Government-Wide Financial Statements

The page labeled Statement of Net Position (Statement A) and the page labeled Statement of Activities (Statement B) display information about the District as a whole. These statements include all of the financial activities of the District. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

E. Budgets

The District uses the following budget practices:

1. The Fire Chief prepares a proposed budget and submits same to the District Board of Commissioners no later than fifteen days prior to the beginning of each year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the District Board of Commissioners.
6. All budgetary appropriations lapse at the end of each year.
7. Budgets are adopted on a budgetary basis. Budget amounts are as originally adopted or as amended from time to time by the District Board of Commissioners.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. 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.

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DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	30 years
Furniture and fixtures	5 years
Vehicles	5 years
Equipment	15 years

H. Compensated Absences

The District has implemented GASB Statement 16, *Accounting for Compensated Absences*. Under GASB Statement 16, a liability for unpaid vacation that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to benefits.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources.

Each full-time employee is credited with one day of sick leave for each month worked. The employee's sick leave will begin to accumulate after working one month.

I. Estimates

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

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Fund Equity

Beginning with fiscal year 2014, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts 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 fund balance - amounts 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 fund balance - amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the District strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K. Deferred Outflows/Inflows of Resources**

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At December 31, 2018, the District had cash and cash equivalents (book balances) totaling \$272,938. The cash was held in interest-bearing demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or 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.

**NOTE 3 - RECEIVABLES**

The receivables of \$118,085 at December 31, 2018, were as follows:

Ad valorem	\$ 50,475
Sales taxes	<u>67,610</u>
Total receivables	<u>\$ 118,085</u>

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**NOTE 4 - CAPITAL ASSETS**

Capital assets and depreciation activities as of and for the year ended December 31, 2018, for the primary government were as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 3,509	\$ -	\$ -	\$ 3,509
Capital assets being depreciated				
Buildings	\$ 443,039	\$ -	\$ -	\$ 443,039
Equipment	<u>1,945,924</u>	<u>427,571</u>	<u>(456,242)</u>	<u>1,917,253</u>
Total capital assets being depreciated	<u>\$ 2,388,963</u>	<u>\$ 427,571</u>	<u>\$ (456,242)</u>	<u>\$ 2,360,292</u>
Less accumulated depreciation for:				
Buildings	\$ (234,082)	\$ (14,520)	\$ -	\$ (248,602)
Equipment	<u>(1,723,563)</u>	<u>(97,474)</u>	<u>440,183</u>	<u>(1,380,854)</u>
Total accumulated depreciation	<u>\$ (1,957,645)</u>	<u>\$ (111,994)</u>	<u>\$ 440,183</u>	<u>\$ (1,629,456)</u>
Total capital assets being depreciated, net	<u>\$ 431,318</u>	<u>\$ 315,577</u>	<u>\$ (16,059)</u>	<u>\$ 730,836</u>
Total capital assets	<u>\$ 434,827</u>	<u>\$ 315,577</u>	<u>\$ (16,059)</u>	<u>\$ 734,345</u>

Depreciation expense of \$111,994 for the year ended December 31, 2018, was charged to the public safety functions.

**NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The accounts payable and accrued liabilities at December 31, 2018, were as follows:

Accounts payable		\$ 72,272
Accrued liabilities:		
Accrued payroll	\$ 12,950	
Retirement	4,533	
Withholding	<u>1,215</u>	<u>18,698</u>
Total		<u>\$ 90,970</u>

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**DECEMBER 31, 2018**

**NOTE 6 - GENERAL LONG-TERM DEBT**

At December 31, 2018, long-term debt was comprised of the following:

\$342,624 capital lease due in annual installments of \$57,701 beginning December 15, 2016 through December 15, 2018, interest at 2.6%, secured by pumper fire truck	\$	60,326
\$59,918 capital lease due in annual installments of \$11,602 beginning July 1, 2016 through July 1, 2019, interest at 4.255%, secured by Chevrolet Suburban		11,849
\$399,578 capital lease due in annual installments of \$47,867 beginning December 29, 2018 through December 29, 2027, interest at 3.495%, secured by two tanker trucks		364,241
Compensated absences		<u>42,741</u>
	<u>\$</u>	<u>479,157</u>

The following is a summary of the long-term debt transactions for the year ended December 31, 2018:

	<u>Balance</u> <u>December 31, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31, 2018</u>	<u>Due Within</u> <u>One Year</u>
Capital lease	\$ 143,270	\$ 399,578	\$ (106,432)	\$ 436,416	\$ 107,311
Compensated absences	<u>38,856</u>	<u>3,885</u>	<u>-</u>	<u>42,741</u>	<u>-</u>
Total	<u>\$ 182,126</u>	<u>\$ 403,463</u>	<u>\$ (106,432)</u>	<u>\$ 479,157</u>	<u>\$ 107,311</u>

The maturity schedule for the debt is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 107,311	\$ 14,591	\$ 121,902
2020	36,365	11,502	47,867
2021	37,636	10,231	47,867
2022	38,951	8,916	47,867
2023	40,312	7,555	47,867
2024	41,721	6,146	47,867
2025	43,180	4,687	47,867
2026	44,689	3,178	47,867
2027	<u>46,251</u>	<u>1,616</u>	<u>47,867</u>
Total	<u>\$ 436,416</u>	<u>\$ 68,422</u>	<u>\$ 504,838</u>

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**NOTE 7 - PENSION PLANS**

Plan Description: The District contributes to the Firefighters' Retirement System. The Plan is a cost-sharing, multiple-employer, defined-benefit pension plan. The Plan is administered by a board of trustees. The Plan provides retirement benefits, disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. Louisiana Revised Statutes 11:2551 et seq. grants the Board of Trustees the authority to establish and amend benefit provisions of the Plan.

The retirement system issues publicly available financial reports that include financial statements and required supplementary information for the Plan. The financial reports may be obtained from:

Firefighters' Retirement System  
Post Office Box 94095, Capital Station  
Baton Rouge, Louisiana 70804-9095

Funding Policy: Plan members are required to contribute 10% of their annual covered salary, and the District is required to contribute at an actuarially determined rate. The District's rate is 26.25% of annual covered payroll as of December 31, 2018. The District's contribution to the Plan for the year ending December 31, 2018, was \$39,495.

**NOTE 8 - PLAN DESCRIPTION AND BENEFITS**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2018, the District reported a liability of \$360,080 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating cities, actuarially determined. At June 30, 2018, the District's proportion was .0626%.

For the year ended December 31, 2018, the District recognized pension expense of \$61,814, plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$3,802. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 27,407
Changes of assumptions	25,119	57
Net difference between projected and actual earnings on pension plan investments	23,414	-
Changes in proportion and differences between District contributions and proportionate share of contributions	13,584	10,923
District contributions subsequent to the measurement date	<u>19,748</u>	<u>-</u>
Total	<u>\$ 81,865</u>	<u>\$ 38,387</u>



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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**NOTE 8 - PLAN DESCRIPTION AND BENEFITS (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

\$19,748 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>		
2018	\$	17,435
2019		23,737
2020		9,772
2021		(10,927)
2022		(909)
Thereafter		(200)

*Actuarial assumptions.* The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Estimated remaining service life	7 years, closed period
Investment rate of return	7.30% per annum (net of investment expenses, including inflation) (decreased from 7.40% in 2017)
Inflation rate	2.700% per annum (decreased from 2.775% in 2017)
Salary increase	Vary from 15.0% in the first two years of service to 4.75% after 25 or more years of service; includes inflation and merit increases
Cost-of-living adjustments	For the purpose of determining present value of benefits, cost-of-living adjustments were deemed not to be substantially automatic and only those previously granted were included.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity valued calculated based on this mortality was compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**NOTE 8 - PLAN DESCRIPTION AND BENEFITS (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

The estimated long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The long-term geometric expected rate of return was 8.09% as of June 30, 2018. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2018, are summarized in the following table:

<u>Asset Type</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
<b>Equity:</b>		
U.S. equity	22.00%	6.14%
Non-U.S. equity	22.00%	7.46%
Global equity	10.00%	6.74%
<b>Fixed Income:</b>		
Fixed income	26.00%	1.76%
<b>Alternatives:</b>		
Real estate	6.00%	4.38%
Private equity	4.00%	8.73%
<b>Multi-Asset Strategies:</b>		
Global tactical asset allocation	5.00%	4.31%
Risk parity	5.00%	4.89%
	<u>100.00%</u>	

*Discount Rate.* The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer entities will be made at the actuarially determined rates approved by the Board of Trustees and PRSAC taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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DECEMBER 31, 2018

NOTE 8 - PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

*Sensitivity to Changes in Discount Rate:*

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.30%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.30% or one percentage point higher 8.30% than the current rate.

	Changes in Discount Rate		
	1% Decrease 6.30%	Current Discount Rate 7.30%	1% Increase 8.30%
Net pension liability	\$ 525,442	\$ 360,080	\$ 221,119

NOTE 9 - RISK MANAGEMENT

The District is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

**SECTION III**

**ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION**

**FIRE PROTECTION DISTRICT NO. 1  
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**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL BUDGETARY BASIS - GENERAL FUND**

YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Ad valorem taxes	\$ 406,881	\$ 556,923	\$ 556,923	\$ -
Sales tax	120,000	107,000	107,000	-
Intergovernmental revenue	3,500	2,328	2,328	-
Interest income	200	209	216	7
Other revenues	19,500	25,411	25,411	-
Total revenues	<u>\$ 550,081</u>	<u>\$ 691,871</u>	<u>\$ 691,878</u>	<u>\$ 7</u>
<b>EXPENDITURES</b>				
General government	\$ 142,000	\$ 173,171	\$ 180,501	\$ (7,330)
Public safety - fire	286,500	269,580	233,730	35,850
Capital outlay	406,000	406,018	427,571	(21,553)
Debt service:				
Principal paid	106,021	106,021	106,432	(411)
Interest expense	16,265	16,265	16,265	-
Total expenditures	<u>\$ 956,786</u>	<u>\$ 971,055</u>	<u>\$ 964,499</u>	<u>\$ 6,556</u>
Excess (deficiency) of revenues over expenditures	\$ (406,705)	\$ (279,184)	\$ (272,621)	\$ 6,563
<b>OTHER FINANCING SOURCES</b>				
Capital Lease	400,000	400,000	399,578	(422)
Net change in fund balances	\$ (6,705)	\$ 120,816	\$ 126,957	\$ 6,141
Fund balance, beginning of year	145,981	145,981	145,981	-
Fund balance, end of year	<u>\$ 139,276</u>	<u>\$ 266,797</u>	<u>\$ 272,938</u>	<u>\$ 6,141</u>

See Independent Auditor's Report.

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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2018

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the cash basis, and variances between the final budget and the actual data.

2. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund:

Net change in fund balance - budget basis Increase	\$ 126,957
Net adjustments for revenue accruals	(166,930)
Net adjustments for expenditure accruals	<u>(42,552)</u>
Net change in fund balance - GAAP basis	<u>\$ (82,525)</u>

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**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LOUISIANA FIREFIGHTERS' RETIREMENT SYSTEM**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability (asset)	.065429%	.064716%	.063832%	.062600%
District's proportionate share of the net pension liability (asset)	\$ 353,128	\$ 423,301	\$ 365,875	\$ 360,080
District's covered-employee payroll	\$ 142,800	\$ 149,040	\$ 149,040	\$ 149,040
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	247.29%	284.02%	245.49%	241.6%
Plan fiduciary net position as a percentage of the total pension liability	72.45%	68.16%	73.55%	74.76%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

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**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
LOUISIANA FIREFIGHTERS' RETIREMENT SYSTEM**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 45,012	\$ 39,123	\$ 38,564	\$ 39,495
Contributions in relation to the contractually required contribution	<u>(45,012)</u>	<u>(39,123)</u>	<u>(38,564)</u>	<u>(39,495)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 142,800	\$ 149,040	\$ 149,040	\$ 149,040
Contributions as a percentage of covered-employee payroll	31.52%	26.25%	25.88%	26.50%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.



**SECTION IV**  
**OTHER INFORMATION**

FIRE PROTECTION DISTRICT NO. 1  
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SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO  
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Agency Head Name: Steve Hisaw, Chairman of Board

Benefits - per diem: \$ 150

**FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA**

**SCHEDULE OF INSURANCE COVERAGE**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

Below is a listing of insurance policies in force as of December 31, 2018:

<u>Policy Type</u>	<u>Number</u>	<u>Company</u>	<u>Coverage</u>	<u>Expiration</u>
1. Commercial property	MEPK06782208	Arch		6/30/2018
Each occurrence - buildings			\$ 1,216,955	
Personal and advertising injury			\$ 58,192	
Flood - each building			\$ 1,000,000	
Employee theft			\$ 25,000	
2. Commercial liability umbrella	MEUM06806708	Arch		6/30/2018
Each occurrence limit			\$ 1,000,000	
Personal and advertising injury			\$ 1,000,000	
Automobiles			Various	
3. Blanket insurance	11VLF8139701	Arch	Various	6/30/2018

See Independent Auditor's Report.

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

COMPENSATION OF THE GOVERNING BOARD

FOR THE YEAR ENDED DECEMBER 31, 2018

Commissioners:		
Steven Hisaw	\$	150
Theodore Jackson		-
Rick Foster		150
David R. Lee		<u>150</u>
Total	\$	<u>450</u>

See Independent Auditor's Report.

**SECTION V**

**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE**



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

Members of the Board of Commissioners  
 Fire Protection District No. 1 of Tensas Parish, Louisiana  
 St. Joseph, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fire Protection District No. 1 of Tensas Parish, Louisiana as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Fire Protection District No. 1 of Tensas Parish, Louisiana's basic financial statements, and have issued our report thereon dated March 21, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fire Protection District No. 1 of Tensas Parish, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fire Protection District No. 1 of Tensas Parish, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Fire Protection District No. 1 of Tensas Parish, Louisiana's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we 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 Fire Protection District No. 1 of Tensas Parish, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information and use of management of the Fire Protection District No. 1 of Tensas Parish, Louisiana; the Tensas Parish Police Jury; and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in cursive script that reads "Silas Simmons, LLP".

Natchez, Mississippi  
March 21, 2019

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

SCHEDULE OF FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2018

**Section 1: Summary of Auditor's Report**

- |  |             |
|--|-------------|
| 1. Type of auditor's report issued on the primary government financial statements:         |             |
| Governmental activities  | Unqualified |
| 2. Internal control over financial reporting:  |             |
| a. Material weakness(es) identified?   | No          |
| b. Significant deficiency(s) identified that are not considered to be material weaknesses? | No          |
| 3. Noncompliance material to the primary government financial statements?                  | No          |



FIRE PROTECTION DISTRICT NO. 1  
 OF TENSAS PARISH, LOUISIANA  
 (A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
 ST. JOSEPH, LOUISIANA

STATUS OF PRIOR YEAR FINDINGS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Reference No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Section I - Internal Control and Compliance Not Material to the Financial Statements:				
2017-1	Numerous	We noted the District does not have adequate segregation of duties. One employee controls almost all financial transactions, including writing checks, compiling the general ledger, reconciling bank accounts, and co-signing checks. To increase internal controls, we recommend adequate segregation of duties. Due to the lack of segregation of duties, internal controls are weakened.	Yes	Management has trained and started using an additional employee to help segregate duties.

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
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ST. JOSEPH, LOUISIANA

STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED DECEMBER 31, 2018

Section I - Internal Control and Compliance Not Material to the Financial Statements:

None

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None

**SECTION VI**

**APPLYING AGREED-UPON PROCEDURES**



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

To the Fire Protection District No. 1 of Tensas Parish, Louisiana  
and the Louisiana Legislative Auditor:

We have performed the procedures in the attached supplement, which were agreed to by the Fire Protection District No. 1 of Tensas Parish, Louisiana (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 year ended December 31, 2018. 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 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.

Our procedures and findings are included in the supplement to this report.

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

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

*Silas Simmons, LLP*

Natchez, Mississippi  
March 21, 2019

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

SUPPLEMENTAL SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2018

*Written Policies and Procedures*

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1. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories:
  - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
  - b) *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the public bid law, and (5) documentation required to be maintained for all bids and price quotes.
  - c) *Disbursements*, including processing, reviewing, and approving.
  - d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - h) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
  - j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: We reviewed the written policies and procedures for the related functions listed above in the procedures. Through our review, we were able to verify that the District has appropriate written policies and procedures for the related topics.

No exceptions were noted during the above procedures.

### *Board or Finance Committee*

---

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 report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Findings: We obtained a copy of the District's minutes for the fiscal period. We reviewed the minutes to determine whether the managing board met on a frequency in accordance with the board's enabling legislation, charter, or equivalent document. We reviewed the minutes to determine whether they referenced or included monthly budget-to-actual comparisons. We obtained a copy of the prior year audit report and observed the unrestricted fund balance in the general fund as being positive.

No exceptions were noted during the above procedures.

### *Bank Reconciliations*

---

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within two 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 twelve months from the statement closing date, if applicable.

The above procedures were not performed due to no exceptions in prior year testing.

### *Collections*

---

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 five deposit sites (or all deposit sites if less than five).

Findings: We reviewed a listing of deposit sites for the fiscal period and management's representation that the listing is complete. The District has only one deposit site.

No exceptions were noted for the above procedure.

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

Findings: We obtained a listing of collection locations and management's representation that the listing is complete. The District has only one collection location at the one deposit site. We obtained written policies and procedures and inquired of management and employees to determine whether employees who are responsible for cash collections do not share cash drawers/registers, do not prepare/make bank deposits, and are not responsible for posting collection entries to the general ledger or subsidiary ledgers, and employees responsible for reconciling cash collections to the general ledger or subsidiary ledger(s) are not responsible for collecting cash.

No exceptions were noted during the above procedures.

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

Findings: We inquired of management to determine if they are covered by a bond or insurance policy for theft to determine that there is a blanket policy covering theft and the treasurer is bonded.

No exceptions were noted during the above procedure.

7. Randomly select two deposit dates for each of the five bank accounts selected for Procedure 3 under "Bank Reconciliations" (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 location or the deposit is less than \$100).

- e) Trace the actual deposit per the bank statement to the general ledger.

Findings: We randomly selected two deposit dates for each of the five bank accounts selected under Procedure 3 and performed the procedures above by observing that receipts are sequentially pre-numbered and traced to collection documentation and the bank statements. We observed that deposits were made within one business day of receipt and that the deposits were traced from the bank statement to the general ledger.

No exceptions were noted during the above procedures.

NonPayroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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

Findings: We obtained a list of locations that process payments and management's representation that the listing is complete. The District has one location for processing payments.

No exceptions were noted during the above procedure.

9. For each location selected under Procedure 8, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Findings: Using the District's one location, we inquired of employees involved with non-payroll purchasing and payment functions and obtained written policies and procedures.

No exceptions were noted during the above procedures.

10. For each location selected under Procedure 8, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five 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 Procedure 9, as applicable.

Findings: For each location from Procedure 8, we obtained the non-payroll disbursement transaction population and management's representation that the population is complete. We randomly selected five disbursements and obtained the documentation that the disbursement matched the related original invoice and that the related documentation included evidence of segregation of duties tested under Procedure 9.

No exceptions were noted during the above procedure.



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

---

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

Findings: We obtained a listing of all active cards from management and management's representation that the listing was complete. The District has one credit card account open.

No exceptions were noted during the above procedure.

12. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Findings: We randomly selected one monthly statement for the credit card account, and we observed that the statement was reviewed and approved.

No exceptions were noted during the above procedure.

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

Findings: The credit card account is strictly a fuel card and excluded.

No exceptions were noted during the above procedure.

*Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

---

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 five reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (Procedure 1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The above procedures were not performed due to no exceptions in prior year testing.

### Contracts

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 five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
  - d) Randomly select one payment from the fiscal period for each of the five 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.

The above procedures were not performed due to no exceptions in prior year testing.

### Payroll and Personnel

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

The above procedure was not performed due to no exceptions in prior year testing.

17. Randomly select one pay period during the fiscal period. For the five employees/officials selected under Procedure 16, 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.

The above procedures were not performed due to no exceptions in prior year testing.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the listing 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' cumulative leave records, and agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files.

The above procedure was not performed due to no exceptions in prior year testing.

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.

The above procedure was not performed due to no exceptions in prior year testing.

### *Ethics*

---

20. Using the five randomly selected employees/officials from Procedure 16 under "Payroll and Personnel," 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.

The above procedures were not performed due to no exceptions in prior year testing.

### *Debt Service*

---

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

The above procedure was not performed due to no exceptions in prior year testing.

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.

The above procedure was not performed due to no exceptions in prior year testing.

### *Other*

---

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

The above procedure was not performed due to no exceptions in prior year testing.

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.

The above procedure was not performed due to no exceptions in prior year testing.

FIRE PROTECTION DISTRICT NO. 1  
OF TENSAS PARISH, LOUISIANA  
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)  
ST. JOSEPH, LOUISIANA

SCHEDULE OF EXCEPTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018

Reference No.

Description of Exception

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There are no exceptions for the year ended December 31, 2018.