

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5

FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
DECEMBER 31, 2022

Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5**  
**PLAIN DEALING, LOUISIANA**  
**DECEMBER 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

I have audited the accompanying financial statements of the governmental activities and major fund of the Northeast Bossier Parish Fire District No. 5 (the District), a component unit of the Bossier Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Northeast Bossier Parish Fire District No. 5 and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the schedule of employer's share of net pension liability, and the schedule of pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### **Other Supplementary Information**

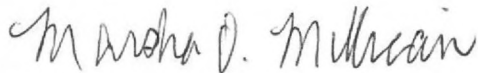
My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 my opinion, the other supplementary information is 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*, I have also issued my report dated June 28, 2023 on my consideration of Northeast Bossier Parish Fire District No. 5's internal control over financial reporting and on my tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting 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.

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated June 28, 2023 on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



Certified Public Accountant  
June 28, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion of the Northeast Bossier Parish Fire District No. 5's annual financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2022. Please read it in conjunction with the District's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

The District had total net position of \$3,602,749 at year end which represents a decrease from the prior year of \$25,918.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

***Basic Financial Statements***

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

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2022**

**Government-wide Financial Statements**

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

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

**Fund Financial Statements**

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

- *Governmental funds financial statements.* The services provided by the District are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2022**

**Fund Financial Statements (continued)**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental financial statement.

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

**FINANCIAL ANALYSIS OF THE ENTITY**

**Net Position**

Net position may serve over time as a useful indicator of the District's financial position. The District's assets exceeded liabilities by \$3,602,749 as of December 31, 2022.

The District's major assets are its fixed assets of \$2,236,833 representing its investments in capital assets such as land, buildings and improvements, equipment and furniture, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the citizens of the District; consequently, these assets are not available for future spending. Revenues to repay any related debt will be provided through assessments on property located within the District.



**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2022**

**Net Position (Continued)**

		Statement of Net Position As of Year End	
		Governmental Activities	
		2022	2021
Current and other assets	\$	1,392,980	\$ 1,278,029
Capital assets, net		2,236,833	2,377,750
Deferred Outflows		133,540	
Total Assets and deferred outflows	\$	3,763,353	\$ 3,655,779
Other liabilities	\$	154,541	\$ 27,112
Long-term liabilities		0	0
Deferred inflows		6,063	0
Total Liabilities		160,604	27,112
Net position			
Investment in capital assets, net of related debt		2,236,833	2,377,750
Restricted		492,167	342,320
Unrestricted		873,749	908,597
Total Net Position		3,602,749	3,628,667
Total Liabilities and Net Position	\$	3,763,353	\$ 3,655,779

Total net position of the District decreased by \$25,918 from the previous fiscal year in Governmental Activities.

**Changes in Net Position**

		Statement of Activities For the Year Ended	
		Governmental Activities	
		2022	2021
Revenues			
Charges for services	\$	0	\$ 0
Capital grants and contributions		5,331	53,773
Ad Valorem taxes		546,329	542,462
Donations		0	0
Insurance Proceeds		5,460	4,725
Interest		1,930	1,569
Intergovernmental		13,855	7,928
Other revenues		5,897	1,578
Gain on Sale of Asset		16,256	0
Donated Capital Assets		0	0
Total revenue		595,058	612,035
Expenses			
General government		17,136	16,856
Public safety-fire protection		437,031	348,669
Interest		0	2,598
Loss on Capital Asset		0	0
Depreciation		166,809	190,567
Total expenses		620,976	558,690
Change in net position	\$	(25,918)	\$ 53,345

The District's total revenues decreased by \$16,977 from the previous fiscal year in Governmental Activities.

The total cost of all programs and services increased \$62,286 from the previous fiscal year in Governmental Activities.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2022**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investment in capital assets for its governmental activities as of December 31, 2022, totaled \$4,968,189 net of accumulated depreciation of \$2,731,356 leaving a book value of \$2,236,833. This investment in capital assets includes fire stations (land, building and improvements), fire trucks, firefighting and rescue equipment, office equipment and furniture.

Actual costs to purchase capital assets were \$55,493 for the year. Depreciation charges for the year totaled \$166,809.

		Capital Assets at Year End (Net of Depreciation)	
		Governmental Activities	
		2022	2021
Land	\$	25,100	\$ 25,700
Buildings and other improvements		1,553,019	1,619,411
Equipment		658,714	732,639
Total	\$	<u>2,236,833</u>	<u>\$ 2,377,750</u>

The following is the additions and retirements for the District as of December 31, 2022:

This year's major additions included:

		Governmental Activities
Land	\$	0
Buildings		0
Equipment		<u>55,493</u>
Total	\$	<u>55,493</u>

This year's major retirements included:

		Governmental Activities
Land	\$	600
Buildings		29,000
Equipment		<u>0</u>
Total	\$	<u>29,600</u>

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2022**

**Debt Administration**

The District did not enter into a capital lease agreement in 2022.

At December 31, 2022, the District's total debt was \$0.

**GENERAL FUND BUDGET**

The District adopted a budget for its General Fund for the year ended December 31, 2022. There was one amendment to the original budget. The District's budgetary comparison is presented as required supplementary information as shown in the table of contents.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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

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

**CONTACTING THE DISTRICT'S MANAGEMENT**

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

## FINANCIAL STATEMENTS

## EXHIBIT A

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
 PLAIN DEALING, LOUISIANA  
 STATEMENT OF NET POSITION  
 December 31, 2022

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 847,651
Investments	0
Accounts receivable	545,329
Construction in Progress	0
Capital assets, net	<u>2,236,833</u>
Total Assets	<u>3,629,813</u>
Deferred outflows of resources, related to pension	<u>133,540</u>
Total assets and deferred outflows of resources	<u><u>3,763,353</u></u>
LIABILITIES	
Current Liabilities	
Accounts payable	17,136
Payroll payable	5,308
Retirement payable	3,460
Net Pension Liability	128,637
Long-term liabilities	
Due within one year	0
Due in more than one year	<u>0</u>
Total Liabilities	<u>154,541</u>
Deferred inflows of resources, related to pension	<u>6,063</u>
Total liabilities and deferred inflows of resources	<u>160,604</u>
NET POSITION	
Net investment in capital assets, net of related debt	2,236,833
Restricted	492,167
Unrestricted	<u>873,749</u>
Total Net Position	<u><u>\$ 3,602,749</u></u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities					
General government	\$ 17,136	\$ 0	\$ 0	\$ 0	\$ (17,136)
Public Safety-Fire Protection	437,031	0	0	5,331	(431,700)
Interest	0	0	0	0	0
Loss on Capital Asset	0	0	0	0	0
Depreciation, net	<u>166,809</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(166,809)</u>
Total Governmental Activities	<u>\$ 620,976</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,331</u>	<u>\$ (615,645)</u>
General Revenues					
Ad Valorem Taxes					546,329
Insurance Proceeds					5,460
Misc Income					0
Interest					1,930
Intergovernmental					13,855
Other Revenues					5,897
Gain on Sale of Asset					16,256
Donated Capital Assets					<u>0</u>
Total General Revenues					<u>589,727</u>
Change in Net Position					(25,918)
Net Position, Beginning of year					<u>3,628,667</u>
Net Position, End of year					<u>\$ 3,602,749</u>

See accompanying notes and accountant's report.



## EXHIBIT C

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
 PLAIN DEALING, LOUISIANA  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 December 31, 2022

	General Fund	Capital Projects Fund	Total
<b>Assets</b>			
Cash	\$ 355,484	\$ 492,167	\$ 847,651
Investments	0	0	0
Accounts Receivable	<u>545,329</u>	<u>0</u>	<u>545,329</u>
Total Assets	<u>\$ 900,813</u>	<u>\$ 492,167</u>	<u>\$ 1,392,980</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 17,136	\$ 0	\$ 17,136
Payroll payable	5,308	0	5,308
Retirement payable	3,460	0	3,460
Unearned revenue	<u>12,609</u>	<u>0</u>	<u>12,609</u>
Total Liabilities	38,513	0	38,513
<b>Fund Balances</b>			
Assigned	0	492,167	492,167
Unassigned	<u>862,300</u>	<u>0</u>	<u>862,300</u>
Total Fund Balance	<u>862,300</u>	<u>492,167</u>	<u>1,354,467</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 900,813</u>	<u>\$ 492,167</u>	<u>\$ 1,392,980</u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
 PLAIN DEALING, LOUISIANA  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 December 31, 2022

Total Fund Balances for Governmental Funds (Exhibit C)	\$	1,354,467
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Total Net Position reported for governmental activities in the statement of net position is different because:

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

Land	\$	25,100	
Buildings and other improvements, net of \$309,761 in accumulated depreciation		1,553,019	
Equipment, furniture, and fixtures, net of \$2,421,595 in accumulated depreciation		658,714	
Total Capital Assets			2,236,833

Other long-term assets are not available to pay for current-period expenditures and therefore are unearned in the government funds:		12,609
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Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities.		
Net Pension Liability		(128,637)

Deferred outflows and inflows of resources related to pensions do not affect the current period and, therefore, they are not reported in the governmental fund balance sheet:		
Deferred outflows of resources related to pensions		133,540
Deferred inflows of resources related to pensions		(6,063)

Total Net Position of Governmental Activities (Exhibit A)	\$	3,602,749
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NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
 PLAIN DEALING, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	GENERAL FUND	CAPITAL PROJECT FUND	TOTAL
<b>REVENUES</b>			
Ad Valorem Taxes	\$ 545,304	\$ 0	\$ 545,304
Grant Revenue -FEMA	0	0	0
Grant Revenue	0	5,331	5,331
Insurance Proceeds	5,460	0	5,460
Donations	0	0	0
Interest	425	1,505	1,930
Intergovernmental	13,855	0	13,855
Rental Income	0	0	0
Other Revenues	5,897	0	5,897
Total revenues	570,941	6,836	577,777
<b>EXPENDITURES</b>			
Current:			
General government	17,136	0	17,136
Public Safety	435,871	0	435,871
Capital Outlays	0	55,493	55,493
Debt Service:			
Interest	0	0	0
Principal retirement	0	0	0
Total Expenditures	453,007	55,493	508,500
Excess (deficiency) of revenues over expenditures	117,934	(48,657)	69,277
Other financing sources (uses)			
Debt Service Proceeds	0	0	0
Disposition of asset	45,857	0	45,857
Misc Income	0	0	0
Transfers In (Out)	(198,504)	198,504	0
Total other financing sources (uses)	(152,647)	198,504	45,857
Change in Fund Balances	(34,713)	149,847	115,134
Prior Year Adjustment	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	897,013	342,320	1,239,333
FUND BALANCE AT END OF YEAR	\$ 862,300	\$ 492,167	\$ 1,354,467

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
 PLAIN DEALING, LOUISIANA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2022

Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$ 115,134
The change in Net Position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$55,493) exceeds depreciation (\$166,809) in the current period.	(111,316)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net effect of prior year and current year deferred revenues.	1,025
The net effect of various transactions involving capital assets (sales, trade-ins, donated infrastructure, etc.) is to increase net assets.	(29,600)
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:	
Change in deferred inflows/outflows related to the pension plan	127,477
Change in pension liability	(128,637)
Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ (25,918)</u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

The Northeast Bossier Parish Fire District No. 5 ("the District") was created by the Bossier Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, on November 10, 1987 by ordinance number 2096. The District is governed by a five member board of commissioners appointed by the Bossier Parish Police Jury, the Town of Plain Dealing, and by the commissioners themselves. The Board of Commissioners received no compensation during 2022. The District constitutes a political subdivision of the State of Louisiana and is a component unit of the Bossier Parish Police Jury. The purpose of the District is to maintain and operate fire stations and equipment and to provide fire protection and emergency services to the residents of the District.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

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

**B. Reporting Entity**

The District is a component unit of the Bossier Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the District because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

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

**C. Basic Financial Statements-Government-Wide Statements**

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

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(CONTINUED)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**D. Basic Financial Statements-Fund Financial Statements**

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

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

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

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

The emphasis in fund financial statements is on the major funds in the governmental category. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District's general fund and capital projects fund were determined to be major funds in 2022.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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



NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(CONTINUED)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

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

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

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

Government Fund Financial Statements - The Governmental financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

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

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(CONTINUED)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgeting and Budgetary Control**

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

1. A preliminary budget for the ensuing year is prepared by the board of commissioners prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted by the board of commissioners by voting at a meeting.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is established and controlled by the board of commissioners at the object level of expenditure. All changes in the budget must be approved by the board.
5. The budget is adopted on a cash basis. There were amendments to the 2022 budget.

**Cash and Cash Equivalents**

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

**Investments**

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

**Use of Estimates**

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(CONTINUED)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

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

**Compensated Absences**

Vacation and sick leave are paid to eligible full-time employees according to the District's policy.

**Long-term Obligations**

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

**Receivables**

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

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

**Unearned Revenue**

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

**Deferred Outflows of Resources and Deferred Inflows of Resources**

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

**Net Position/Fund Balances**

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(CONTINUED)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position/Fund Balances (Continued)**

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

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

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

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

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

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

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

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

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(CONTINUED)

**NOTE 2 CASH AND CASH EQUIVALENTS**

At December 31, 2022, the District had cash and cash equivalents (book balances) totaling \$847,651 as follows:

	<u>Bank Balances</u>	<u>Book Balances</u>
Demand deposits	\$ 853,256	\$ 847,651

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposits insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank that is mutually acceptable to both parties. At December 31, 2022, deposits of \$250,000 were collateralized by FDIC insurance and deposits of \$603,256 were collateralized by securities held by the custodial bank in the name of the District (Category 3).

**NOTE 3 INVESTMENTS**

At December 31, 2022, the District had no investments in certificates of deposit with initial maturities greater than 90 days. The certificates of deposits are carried at cost, which approximates market. The investments were fully secured from risk by federal deposit insurance.

**NOTE 4 AD VALOREM TAXES**

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

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

**NOTE 5 ACCOUNTS RECEIVABLE**

General fund receivables as of December 31, 2022 consisted of ad valorem taxes receivable of \$545,329.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(CONTINUED)

**NOTE 6 CAPITAL ASSETS**

A summary of the District's capital assets at December 31, 2022 follows:

	Balance Dec. 31, 2021	Additions	Retirements	Balance Dec. 31, 2022
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 25,700	\$ -	\$ (600)	\$ 25,100
Total Capital Assets, not being depreciated	<u>25,700</u>	<u>-</u>	<u>(600)</u>	<u>25,100</u>
Capital Assets, being depreciated				
Buildings and other improvements	1,891,780	-	(29,000)	1,862,780
Less accumulated depreciation	<u>(272,366)</u>	<u>(58,538)</u>	<u>21,145</u>	<u>(309,759)</u>
Total Buildings and Building Improvements	<u>1,619,414</u>	<u>(58,538)</u>	<u>(7,855)</u>	<u>1,553,021</u>
Equipment, furniture and fixtures	3,024,816	55,493	-	3,080,309
Less accumulated depreciation	<u>(2,292,180)</u>	<u>(129,417)</u>	<u>-</u>	<u>(2,421,597)</u>
Total Equipment, Furniture and Fixtures	<u>732,636</u>	<u>(73,924)</u>	<u>-</u>	<u>658,712</u>
Total Capital Assets, being depreciated	<u>2,352,050</u>	<u>(132,462)</u>	<u>(7,855)</u>	<u>2,211,733</u>
Governmental Activities				
Total Capital Assets, net	<u>\$ 2,377,750</u>	<u>(132,462)</u>	<u>(8,455)</u>	<u>\$ 2,236,833</u>

Depreciation expense for the year ended December 31, 2022, was \$166,809. Construction in progress for the year ended December 31, 2022, was \$0

**NOTE 7 PENSION PLAN**

Firefighter's Retirement System of Louisiana

Plan Description

The District contributes to the Firefighters' Retirement System (FRS), a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighter who earns at least \$375 per month and is employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members.

Benefits Provided

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:225111:2272.

Retirement Benefits

Members can retire providing he or she meets one of the following criteria:

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. No person who has reached fifty or over shall become a member unless it is due to a merger or unless the System received an application for membership before turning fifty.

Any person who has retired from service under any retirement system or pension fund maintained basically for



NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
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NOTES TO THE FINANCIAL STATEMENTS  
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(CONTINUED)

**NOTE 7 PENSION PLAN (continued)**

public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits there from may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Deferred Retirement Option Plan

After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

The monthly retirement benefit that would have been paid to the System is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option Plan

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

**Contributions**

Employer contributions are actuarially determined each year. For the year ended June 30, 2022, employer and employee contributions for members above the poverty line were 33.75% and 10.0%, respectively. The employer and employee contribution rates for those members below the poverty line were 35.75% and 8.0%, respectively.

Non-Employer Contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended June 30, 2022 and were excluded from pension expense. Non-employer contributions received by the System during the year ended June 30, 2022 were \$28,465,639.

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

At December 31, 2022, the District reported a liability of \$128,637 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
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NOTES TO THE FINANCIAL STATEMENTS  
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(CONTINUED)

**NOTE 7 PENSION PLAN (continued)**

relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the District's proportion was 0.018243%, which was an increase of 0.018243% from its proportion measured as of June 30, 2021. For the year ended December 31, 2022, the District recognized a pension expense of \$40,798. The District recognized revenue of \$5,193 as its proportionate share of non-employer contributions for the year ended December 31, 2022.

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 769	\$ 6,063
Change of assumptions	10,607	-
Net difference between projected and actual investment		
Earnings on pension plan investments	29,140	-
Change in proportion and differences between the		
District's contributions and proportionate share of		
Contributions	81,220	-
District's contributions subsequent to the measurement		
Date	11,804	-
	<u>\$ 133,540</u>	<u>\$ 6,063</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are estimated to be recognized in pension expense as follows:

Year Ending June 30:

2023	(21,878)
2024	(19,804)
2025	(17,124)
2026	(29,559)
2027	(14,117)
2028	(13,191)

**Actuarial Assumptions**

The actuarial assumptions used in the June 30, 2022 valuation were based on the assumptions used in the June 30, 2022 actuarial funding valuation, and were based on results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(CONTINUED)

**NOTE 7 PENSION PLAN (continued)**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Investment rate of Return	6.90% per annum (net of investment expenses, including inflation)
Estimated Remaining Service Life	7 Years, closed period
Inflation Rate	2.500% per annum
Salary Increases	Vary from 14.10% in the first two years of service to 5.2% with 3 or more years of service, includes inflation & merit increases
Cost of Living Adjustments	Only those previously granted were included

The mortality rate assumptions were updated in fiscal year 2022 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables, as compared to the RP-2000 Combined Healthy and Disabled Lives tables that were used for the previous valuation.

The estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation and the G.S. Curran & Company Consultant Average study for 2022. The consultant's average study included projected nominal rates of return, standard deviations of returns and correlations of returns for a list of common asset classes collected from several investment consultants and investment management firms. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2022.

Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income		
US Core Fixed Income	18.00%	.84%
US Tips	3.00%	.51%
Emerging Market Debt	5.00%	2.99%
Equity		
U.S.	27.50%	5.64%
Non-U.S.	11.50%	5.89%

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(CONTINUED)

**NOTE 7 PENSION PLAN (continued)**

Global	10.00%	5.99%
Emerging Market Equity	7.00%	7.75%
Alternatives		
Real Estate	6.00%	4.57%
Private Equity	9.00%	8.99%
Real Assets	3.00%	4.89%
Multi-Asset Strategies		
Global Tactical	0.00%	3.14%
Risk Parity	<u>0.00%</u>	3.14%
System Total	100.00%	
Inflation		<u>2.50%</u>

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. 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 contribution from participating employers will be made at the actuarially determined rates approved by Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the Systems' actuary. Based on those assumptions, the Systems' 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.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.90%, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.90% or one percentage point higher 7.90% than the current rate:

	1% Decrease ( <u>5.90%</u> )	Current Discount Rate ( <u>6.90%</u> )	1% Increase ( <u>7.90%</u> )
District's Proportionate Share of Net Pension Liability (Asset)	\$190,304	\$128,637	\$77,202

Firefighters' Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2022. Access to the audit report can be found on the Systems' website: [www.lafirefighterset.com](http://www.lafirefighterset.com) or on the Office of Louisiana Legislative Auditor's official website: [www.la.state.la.us](http://www.la.state.la.us).

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(CONTINUED)

**NOTE 8 RISK MANAGEMENT**

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

**NOTE 9 LONG-TERM DEBT**

The District has no debt as of December 31, 2022

**NOTE 10 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 28, 2023, the date the financial statements were available to be issued, and determined no additional disclosures are warranted.

## REQUIRED SUPPLEMENTARY INFORMATION

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
BUDGETARY/GAAP REPORTING RECONCILIATION  
DECEMBER 31, 2022

	ACTUAL ON GAAP BASIS	ADJUSTMENT TO BUDGETARY BASIS	ACTUAL ON BUDGETARY BASIS
<u>REVENUES</u>			
Ad Valorem Tax	\$ 545,304	\$ (1,644)	\$ 543,660
Grant Revenue	5,331	0	5,331
Insurance Proceeds	5,460	0	5,460
Donations	0	0	0
Interest	1,930	0	1,930
Intergovernmental	13,855	0	13,855
Other Revenues	51,754	0	51,754
Rental Income	0	0	0
	<hr/>	<hr/>	<hr/>
Total revenues	623,634	(1,644)	621,990
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>			
General Government	17,136	0	17,136
Public Safety	435,871	0	435,871
Interest	0	0	0
Capital Outlay	55,493	0	55,493
	<hr/>	<hr/>	<hr/>
Total Expenditures	508,500	0	508,500
	<hr/>	<hr/>	<hr/>
Excess/ (Deficiency) of Revenues Over Expenditures	115,134	(1,644)	113,490
Other Financing Sources/(Uses)	0	0	0
	<hr/>	<hr/>	<hr/>
Excess/ (Deficiency) of Revenues Over Expenditures Prior Year Adjustment	115,134	(1,644)	113,490
	<hr/>	<hr/>	<hr/>
Fund Balance Beginning of Year	1,239,333		
Fund Balance End of Year	\$ 1,354,467		

See accompanying notes to the financial statements.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
PLAIN DEALING, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS- BUDGET AND ACTUAL (CASH BASIS)-GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY)	VARIANCE
	ORIGINAL	FINAL	BASIS)	FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Ad Valorem Tax	\$ 582,737	\$ 543,660	\$ 543,660	\$ 0
Grant Revenue	0	5,331	5,331	0
Insurance Proceeds	0	5,459	5,460	1
Donations	0	0	0	0
Interest	0	1,929	1,930	1
Intergovernmental	0	14,049	13,855	(194)
Other Revenues	0	51,558	51,754	196
Rental Income	0	0	0	0
<b>Total revenues</b>	<b>582,737</b>	<b>621,986</b>	<b>621,990</b>	<b>4</b>
<b>EXPENDITURES</b>				
General Government	18,500	16,900	17,136	(236)
Public Safety	486,505	537,179	435,871	101,308
Interest	0	0	0	0
Capital Outlay	77,732	51,700	55,493	(3,793)
<b>Total Expenditures</b>	<b>582,737</b>	<b>605,779</b>	<b>508,500</b>	<b>97,279</b>
Excess/ (Deficiency) of Revenues Over Expenditures	0	16,207	113,490	97,283
Other Financing Sources/(Uses)	0	0	0	0
Excess/ (Deficiency) of Revenues Over Expenditures	0	16,207	113,490	97,283
<b>Fund Balance</b>				
Beginning of Year	2,086,020	1,503,407	1,588,984	0
Fund Balance				
End of Year	\$ 2,086,020	\$ 1,519,614	\$ 1,702,474	\$ 97,283

See accompanying notes to the financial statements.



**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5**

## Schedule of Employer's Share of Net Pension Liability

Year Ended December 31, 2022

Year Ended June 30	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.000000%	\$ -	\$ 15,000	0.00%	0.00%
2022	0.018243%	\$ 128,637	\$ 47,000	273.70%	74.68%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5**

## Schedule of Employer Contributions

Year Ended December 31, 2022

Year Ended December 31	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2021	\$ 5,063	\$ 5,063	\$ 0	\$ 15,000	33.75%
2022	\$ 22,603	\$ 22,603	\$ 0	\$ 67,500	33.49%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

## OTHER SUPPLEMENTARY INFORMATION

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
 TO AGENCY HEAD  
 FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Purpose</u>	<u>Fire Chief, Jason F. Vaughan Jan. 1-Dec. 31</u>
Salary	\$ 60,000
Payroll taxes	1,002
Benefits-insurance	10,299
Benefits-retirement	22,604
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Special meals	0
Total Compensation, Benefits and Other Payments	\$ <u>93,905</u>

See accompanying notes to the financial statements.



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities of Northeast Bossier Parish Fire District No. 5, a component unit of the Bossier Parish Police Jury, as of December 31, 2022 and related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated June 28, 2023.

### Internal Control Over Financial Reporting

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

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

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

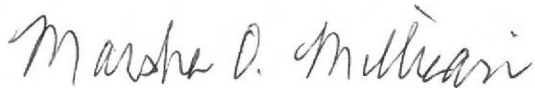
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northeast Bossier Parish Fire District No. 5's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant  
June 28, 2023

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS  
YEAR ENDED DECEMBER 31, 2022

There were no findings for the year ended December 31, 2021.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5  
SCHEDULE OF FINDINGS  
YEAR ENDED DECEMBER 31, 2022

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies in internal accounting control were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of the District were disclosed during the audit.

There were no findings for the year ended December 31, 2022.





# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

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

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. Management of Northeast Bossier Parish Fire District No. 5 (the District) is responsible for those C/C areas identified in the SAUPS.

The Board of Commissioners of Northeast Bossier Parish Fire District No. 5 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### 1) Written Policies and Procedures

- A. I obtained and inspected the entity's written policies and procedures and observed whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - ii. **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 Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - iii. **Disbursements**, including processing, reviewing, and approving.

- iv. **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).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and expense reimbursements**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase 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).
- ix. **Ethics**, including (1) the prohibition as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from a network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*No exceptions were noted as a result of this procedure.*

## **2) Board or Finance Committee**

---

- A. I obtained and inspected 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:
- i. I observed 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.
  - ii. For those entities reporting on the governmental accounting model, I observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to the public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - iii. For governmental entities, I obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.
  - iv. I observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

***Procedure Results - The minutes do not reference budget-to-actual comparisons.***

***Management's Response - We will include budget-to-actual comparisons in the future.***

## **3) Bank Reconciliations**

---

- A. I obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. I asked management to identify the entity's main operating account. I selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). I randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected accounts, and observed that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

- ii. Bank reconciliations include written 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
- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions were noted as a result of this procedure.*

#### **4) Collections (excluding electronic funds transfers)**

---

- A. I obtained 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. I selected 1 deposit site (there is only 1).
- B. For each deposit site selected, I obtained a listing of collection locations and management's representation that the listing is complete. I selected one collection location for each deposit site (i.e., 1 collection locations for 1 deposit site), obtained and inspected 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 observed that job duties are properly segregated at each collection location such that:
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. 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;
  - iii. Each employee responsible for collecting cash is not also 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; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

*Procedure Results - The entity has no bond or insurance policy for theft.*

*Management's Response - Inasmuch as the amount of cash collected is insignificant, we do not believe that such insurance is warranted.*



D. I randomly selected two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* I obtained supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. 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 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

*No exceptions were noted as a result of this procedure.*

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

---

- A. I obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. I selected 1 location (there is only 1).
- B. For each location selected under procedure #5A above, I obtained a listing of those employees involved with non-payroll purchasing and payment functions. I obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. 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;

- iv. Either the employees/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; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5 above, I obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. I randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction, and
  - i. Observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - ii. Observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, I randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. [Note: If no electronic payments were made from the main operating account during the month selected, the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

*No exceptions were noted as a result of this procedure.*

#### **6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

- A. I obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. I obtained management's representation that the listing is complete.
- B. Using the listing prepared by management, I randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. I randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select on monthly bank statement). I obtained supporting documentation, and:

- i. Observe whether 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported]; and
  - ii Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, I randomly select 10 transactions (or all transactions if less than 10) from each statement and obtained supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, I observed 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*No exceptions were noted as a result of this procedure.*

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

- A. I obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. 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 Policies and Procedures procedure #1A(vii) and

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*This procedure is not applicable. The District had no travel-related expenses for the fiscal year.*

## **8) Contracts**

---

- A. I obtained 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* I obtained management's representation that the listing is complete. I selected 1 contract (there is only 1) from the listing, excluding the practitioner's contract, and:
  - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment was approval documented).
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were noted as a result of this procedure.*

## **9) Payroll and Personnel**

---

- A. I obtained a list of employees and officials employed during the fiscal period and management's representation that the listing is complete. I randomly select 5 employees or officials, obtained related salaries and personnel files, and agreed paid salaries to authorized salaries/ pay rates in the personnel files.
- B. I randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, I obtained attendance records and leave documentation for the pay period, and
  - i. Observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);



- ii. Observed whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observed that any leave accrued or taken during the pay period is reflected in the entity's accumulative leave records; and
  - iv. Observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. I obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. I obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed by the required deadlines.

*No exceptions were noted as a result of this procedure.*

## **10) Ethics**

---

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the entity has appointed an ethics designee as required by R.S. 42:1170.

*No exceptions were noted as a result of this procedure.*

## 11) Debt Service

---

- A. I obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. I obtained 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*No exceptions were noted as a result of this procedure.*

## 12) Fraud Notice

---

- A. I obtained a listing of misappropriation 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 to the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. I observed 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.

*No exceptions were noted as a result of this procedure.*

## 13) Information Technology Disaster Recovery/Business Continuity

---

- A. Perform the following procedures, **verbally discuss the results with management, and report, "I performed the procedure and discussed the results with management."**
  - i. I obtained and inspected the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - ii. I obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- iii. I obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

*I performed the procedure and discussed the results with management.*

#### **14) Prevention of Sexual Harassment**

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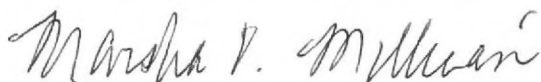
- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, I obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. I observed that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. I obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that the report includes the applicable requirements of R.S. 42:344:
  - i. Number and percentage of public servants in the entity who have completed the training requirements.;
  - ii. Number of sexual harassment complaints received by the entity;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

*No exceptions were noted as a result of this procedure.*

I was engaged by the District to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C 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.

A handwritten signature in cursive script, reading "Marsha V. Milligan".

Certified Public Accountant  
June 28, 2023