

CADDO PARISH FIRE DISTRICT NO. 4

KEITHVILLE, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2021

Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana

**CADDO PARISH FIRE DISTRICT NO. 4**

**TABLE OF CONTENTS**

December 31, 2021

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4+7
Basic Financial Statements:	
Government Wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Balance Sheet - Governmental Funds	10
Reconciliation of Fund Balances on the Balance Sheets for Governmental funds to Net Assets of Governmental Activities on the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Notes to Financial Statements	14-29
Required Supplementary Information:	
Schedule of Budgetary/GAAP Reporting Reconciliation - General Fund	30
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Cash Basis) - General Fund	31
Schedule of Employer's Share of Net Pension Liability	32
Schedule of Employer Contributions	33
Notes to Retirement System Schedules	34
Other Supplementary Information	
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head	35

**CADDO PARISH FIRE DISTRICT NO. 4**

TABLE OF CONTENTS

December 31, 2021

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the Basic Financial Statements in Accordance with <i>Governmental Auditing Standards</i>	36-37
Corrective Action Taken on Prior Year Findings	38
Schedule of Findings	39
Independent Accountant's Report on Applying Statewide Agreed-Upon Procedures	40-52



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Caddo Parish Fire District No. 4  
Keithville, Louisiana

### Opinion

I have audited the accompanying financial statements of the governmental activities and major fund of the Caddo Parish Fire District No. 4 (the District), a component unit of the Caddo Parish Commission, as of and for the year ended December 31, 2021, 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, 2021, 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 Caddo Parish Fire District No. 4 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**

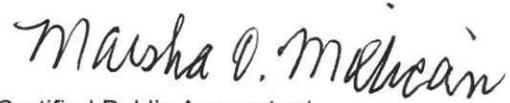
My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required 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 20, 2022 on my consideration of Caddo Parish Fire District No. 4'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 20, 2022 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 20, 2022

**CADDO PARISH FIRE DISTRICT NO. 4  
8240 COLQUITT ROAD  
KEITHVILLE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Caddo Parish Fire District No. 4's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on December 31, 2021. Please read it in conjunction with the District's financial statements, which follows this section.

**FINANCIAL HIGHLIGHTS**

The District had net position of \$2,144,360 at year end which represents an increase from the prior year of \$67,598.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

These financial statements consist of the following - Management's Discussion and Analysis (this section), the basic financial statements, and Notes to Financial Statements. These components are described below:

***Basic Financial Statements***

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and provide information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report the District's net position and changes in them. You can think of the District's net position, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

## 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 \$2,144,360 as of December 31, 2021.

The District's major assets are its fixed assets of \$3,080,211 representing its investment in capital assets such as land, buildings and improvements, equipment and furniture, less the related debt used to acquire those assets that is still outstanding. The District owed \$3,280,000 at year end on the 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 needed to repay the related debt will be provided through tax assessments on property located within the District.

### **Caddo Parish Fire District No. 4 December 31,**

	<b>2021</b>	<b>2020</b>
Current assets	\$ 3,929,390	\$ 3,996,436
Capital assets	3,080,211	3,256,958
Total Assets	<u>7,009,601</u>	<u>7,253,394</u>
Deferred Outflows of Resources	<u>698,079</u>	<u>577,285</u>
Current liabilities	251,521	247,664
Noncurrent liabilities	4,195,450	5,167,565
Total liabilities	<u>4,446,971</u>	<u>5,415,229</u>
Deferred inflows of resources	<u>1,116,349</u>	<u>338,688</u>
Net position:		
Invested in capital assets, net of related debt	(199,789)	1,475,822
Restricted for debt service	442,605	451,852
Restricted for capital projects	518,007	737,698
Unrestricted	<u>1,383,537</u>	<u>(588,610)</u>
Net Position	<u>\$ 2,144,360</u>	<u>\$ 2,076,762</u>

### *Changes in Net Position*

The District's net position increased by \$67,598 during the year ended December 31, 2021. Approximately 60% (\$1,489,226) of the District's total revenue was derived through property taxes, while approximately 20% (\$494,655) was derived through charges for structure fees. Expenses incurred by the District are primarily for the provision of fire protection and emergency medical treatment to the citizens of the District. Approximately 70% (\$1,707,465) of the District's expenses are for salaries and related payroll taxes and employee benefits.

In 2021, governmental activity revenue exceeded expenses, resulting in an increase in net position of \$67,598.

**Caddo Parish Fire District No. 4's Changes in Net Position  
For the Year Ended December 31,**

	2021	2020
<b>Revenues:</b>		
Program revenues:		
Intergovernmental	\$ 121,568	\$ 121,537
Grants	-	-
General revenues:		
Property taxes	1,489,226	1,702,547
Structure fees	494,655	551,997
Ambulance fees	290,427	290,122
Other	103,200	111,189
	<u>2,499,076</u>	<u>2,777,392</u>
<b>Expenses:</b>		
Public safety - fire protection	2,336,373	2,625,201
Interest on long-term debt	95,105	121,559
	<u>2,431,478</u>	<u>2,746,760</u>
Increase (Decrease) in net position	<u>\$ 67,598</u>	<u>\$ 30,632</u>

**FINANCIAL ANALYSIS OF THE DISTRICT'S INDIVIDUAL FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental Funds***

The focus of the District's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

As of the end of the current year, the District's governmental funds reported combined ending fund balances of \$3,810,170.

Fund balance of \$2,858,992 was unreserved at year end and available for spending in the coming year. Fund balance of \$430,437 is reserved for debt service. Fund balance of \$518,037 was assigned for capital projects.

The general fund is the chief operating fund of the District. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. The fund balance of the general fund decreased by \$12,039 during 2021.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the District complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA - R.S. 39:1301 et seq).

The District's budget was amended during 2021.

The actual expenditures were \$74,814 more than budgeted; and the actual revenues were more than budgeted amounts by \$354.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

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

The District's investment in capital assets for its governmental activities as of December 31, 2021, totaled \$5,981,986 net of accumulated depreciation of \$2,901,775 leaving a book value of \$3,080,211. This investment in capital assets includes fire stations (land, buildings and improvements), fire trucks, response vehicles, fire fighting and rescue equipment, office equipment and furniture (equipment and furniture).

Actual costs to purchase capital assets were \$218,937 for the year. Depreciation charges for the year totaled \$395,684.

#### ***Debt Administration***

The District issued long term bonds on August 1, 2019 in the amount of \$3,500,000 for the purpose of acquiring capital assets. The balance due at December 31, 2021 was \$3,280,000.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following economic factors were considered when the budget for the fiscal year ended December 31, 2022 was prepared.

Revenues are expected to stay consistent for 2022.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the finances of the Caddo Parish Fire District No. 4 for all of the District's citizens, taxpayers, investors, and creditors. The financial report seeks to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mr. Bryant Williams, Fire Chief, Caddo Parish Fire District No. 4, 8240 Colquitt Road, Keithville, Louisiana 71047.

**CADDO PARISH FIRE DISTRICT NO. 4**

Statement of Net Position

December 31, 2021

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 1,813,582
Ad valorem taxes receivable	1,544,858
Fire protection service charges receivable	520,267
Ambulance fees receivable	47,979
Prepaid Insurance	2,704
Total Current Assets	<u>3,929,390</u>
<b>Noncurrent Assets</b>	
Capital Assets, net	<u>3,080,211</u>
Total Noncurrent Assets	<u>3,080,211</u>
Total Assets	<u>7,009,601</u>
<b>Deferred Outflows of Resources</b>	<u>698,079</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable and accruals	76,521
Bonds payable - due in one year	175,000
Total Current Liabilities	<u>251,521</u>
<b>Long Term Liabilities</b>	
Bonds payable - due after one year	3,105,000
Net pension liabilities	1,090,450
Total Long Term Liabilities	<u>4,195,450</u>
Total Liabilities	<u>4,446,971</u>
<b>Deferred Inflows of Resources</b>	<u>1,116,349</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	(199,789)
Restricted for debt service	442,605
Restricted for capital projects	518,007
Unrestricted, undesignated	1,383,537
Net Position	<u>\$ 2,144,360</u>

The notes to the financial statements are an integral part of this statement.

**CADDO PARISH FIRE DISTRICT NO. 4**

Statement of Activities

For the Year Ended December 31, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating Grants	Capital Grants and Contributions	
<b>Governmental Activities:</b>				
Public safety-fire protection	\$ 2,336,373	\$ -	\$ -	\$ (2,336,373)
Interest on long term debt	95,105	-	-	(95,105)
Total Governmental Activities	<u>\$ 2,431,478</u>	<u>\$ -</u>	<u>\$ -</u>	\$ (2,431,478)
<b>General Revenues:</b>				
Taxes				
Ad valorem taxes				1,489,226
Service fees				494,655
Ambulance fees				290,427
State fire insurance rebate				26,055
State revenue sharing				23,513
State supplemental pay				72,000
Non-employer pension contribution				87,904
Interest Earned				6,526
Miscellaneous				8,770
Total General Revenues				<u>2,499,076</u>
Change in Net Position				67,598
Net Position, beginning of year				<u>2,076,762</u>
Net Position, end of year				<u>\$ 2,144,360</u>

The notes to the financial statements are an integral part of this statement.

**CADDO PARISH FIRE DISTRICT NO. 4**

Balance Sheet  
Governmental Funds  
December 31, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 1,653,483	\$ 160,099	\$ 1,813,582
Ad valorem taxes receivable	1,262,352	282,506	1,544,858
Structure fees receivable	520,267	-	520,267
Ambulance fees receivable	47,979	-	47,979
Prepaid insurance	2,704	-	2,704
	<u>3,486,785</u>	<u>442,605</u>	<u>3,929,390</u>
Total Assets	\$ 3,486,785	\$ 442,605	\$ 3,929,390
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable and accruals	\$ 59,784	-	\$ 59,784
Unearned revenue	47,268	12,168	59,436
	<u>107,052</u>	<u>12,168</u>	<u>119,220</u>
Total Liabilities	107,052	12,168	119,220
Fund Balances			
Reserved for debt service	-	430,437	430,437
Assigned - capital project	518,037	-	518,037
Nonspendable			
Prepaid Insurance	2,704	-	2,704
Unassigned	2,858,992	-	2,858,992
	<u>3,379,733</u>	<u>430,437</u>	<u>3,810,170</u>
Total Fund Balances	3,379,733	430,437	3,810,170
Total Liabilities and Fund Balances	\$ 3,486,785	\$ 442,605	\$ 3,929,390

The notes to the financial statements are an integral part of this statement.

**CADDO PARISH FIRE DISTRICT NO. 7**

Reconciliation of Fund Balances on the Balance Sheet  
for Governmental Funds to Net Position of  
Governmental Activities on the Statement of Net Position  
Year Ended December 31, 2021

---

---

Fund Balances - Total Governmental Funds	\$ 3,810,170
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Add: Capital Assets	5,981,986
Deduct: Accumulated Depreciation	(2,901,775)
Certain liabilities, such as debt and pension liability are not due and payable in the current period and therefore are not reported in the funds.	
Deduct: Long term debt	(3,280,000)
Pension liability	(1,090,450)
Other long term assets are not available to pay for current period expenditures and are deferred in the funds.	59,436
Accrued interest on long-term debt is not reported in the governmental balance sheet.	(16,737)
Deferred outflows of resources related to net pension liability are not available resources and, therefore, are not reported in the funds.	698,079
Deferred inflows of resources related to net pension liability are not payable from current expendable resources, and, therefore, are not reported in the funds.	<u>(1,116,349)</u>
Net Position of Governmental Activities	<u>\$ 2,144,360</u>

**The notes to the financial statements are an integral part of this statement.**

**CADDO PARISH FIRE DISTRICT NO. 4**

Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund  
For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 1,262,039	\$ 243,253	\$ 1,505,292
Fire protection fees	513,796	-	513,796
Ambulance fees	290,427	-	290,427
Intergovernmental revenues:			
State fire insurance rebate	26,055	-	26,055
State revenue sharing	23,513	-	23,513
State supplemental pay	72,000	-	72,000
Interest earned	6,089	437	6,526
Miscellaneous	8,770	-	8,770
	<u>2,202,689</u>	<u>243,690</u>	<u>2,446,379</u>
<b>Expenditures:</b>			
Current:			
Fire protection	2,214,728	-	2,214,728
Debt service:			
Principal		170,000	170,000
Interest	-	95,105	95,105
	<u>2,214,728</u>	<u>265,105</u>	<u>2,479,833</u>
Net change in fund balance before other sources	(12,039)	(21,415)	(33,454)
<b>Other Financing Sources:</b>			
Proceeds from borrowing	-	-	-
Transfers (to) from other funds	-	-	-
	<u>(12,039)</u>	<u>(21,415)</u>	<u>(33,454)</u>
Fund Balances, Beginning of Year	<u>3,391,772</u>	<u>451,852</u>	<u>3,843,624</u>
Fund Balances, End of Year	<u>\$ 3,379,733</u>	<u>\$ 430,437</u>	<u>\$ 3,810,170</u>

**The notes to the financial statements are an integral part of this statement.**

**CADDO PARISH FIRE DISTRICT NO. 4**

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Year Ended December 31, 2021

---

---

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

**Net Change in Fund Balances - Total Governmental Funds** \$ (33,454)

Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$395,684) exceeds depreciation (\$218,937). (176,747)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Net effect of prior and current year deferred revenue (35,207)

Net effect of prior and current accrued interest payable 2,758

Proceeds from debt proceeds are recorded as revenue in the funds, but are recorded in the statement of net position as a reduction in liabilities -

Payments on debt are recorded as expenditures in the funds, but are recorded in the statement of net position as a reduction in liabilities. 170,000

Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:

Decrease in pension expense 52,344

Nonemployer pension contribution revenue 87,904

---

---

Change in Net Position of Governmental Activities \$ 67,598

**The notes to the financial statements are an integral part of this statement.**

## CADDO PARISH FIRE DISTRICT NO. 4

Notes to Financial Statements  
December 31, 2021

---

---

### **INTRODUCTION**

Caddo Parish Fire District No. 1 ("the District") was created by the Caddo Parish Commission by ordinance as provided under the Louisiana Revised Statutes 40:1492-501. The District is a component unit of the Caddo Parish Commission and is governed by a board of commissioners, who are appointed by the Caddo Parish Commission. The purpose of the District is to provide fire protection and emergency services to the residents of the District.

#### **1. *Summary of Significant Accounting Policies:***

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June, 1999 the GASB issued Statement 34, *Basic Financial Statements - and Managements Discussion and Analysis - for State and Local Governments* and Statement 35, *Basic Financial Statements - and Management's Discussion and Analysis for Public Colleges and Universities*. These Statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Compatibility with reports issued in prior years is affected.

The District has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Omnibus*; GASB Statement No. 38, *Certain Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

#### **Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity is financial accountability. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

The District is a component unit of the Caddo Parish Commission, the financial reporting entity. The Commission is financially accountable for the District because it appoints a voting majority of the Board and has the ability to impose its will on the District.

## CADDO PARISH FIRE DISTRICT NO. 4

Notes to Financial Statements  
December 31, 2021

### 1. *Summary of Significant Accounting Policies (continued):*

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

#### **Government-Wide and Fund Financial Statements**

The government-wide financial statements (the statement of net assets and the statement of activities) report information of all nonfiduciary activities of the District. The statement of activities demonstrates the degree to which the direct expenses of a given function segment, or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function, segment or component unit. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District consists of one program - fire protection.

Governmental fund financial statements are provided for the District. The District consists of two governmental funds - the General Fund and the Debt Service Fund.

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

Government-Wide Accounting - In accordance with Government 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.

*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

## CADDO PARISH FIRE DISTRICT NO. 4

Notes to Financial Statements

December 31, 2021

### 1. *Summary of Significant Accounting Policies (continued):*

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 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. Supplemental salaries paid to the firefighters by the State of Louisiana, 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 assets are used.

Government-Wide Financial Statements - The government-wide financial statements are 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 to be 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. Modifications to the accrual basis of accounting include:

Interest on general long-term obligations is recognized when paid.

## CADDO PARISH FIRE DISTRICT NO. 4

Notes to Financial Statements  
December 31, 2021

### 1. *Summary of Significant Accounting Policies (continued):*

#### **Fund Accounting**

The financial activities of the District are recorded in individual funds, each of which is deemed to be a separate accounting entity. The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including collection and disbursement of specific or legally restricted monies, the acquisition, construction or improvement of capital assets, and the servicing of long-term debt. Governmental funds of the District include:

General Fund - the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

#### **Budget and Budgetary Control**

A budget for the ensuing year is prepared by the fire chief and approved by the board of commissioners prior to December 31st of each year. The proposed budget is prepared on a cash basis of accounting that is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). The budget is legally adopted and amended as necessary, by the board of commissioners. The board reserves all authority to make changes to the budgets. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. The budget was amended in 2021.

Formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

#### **Cash and Cash Equivalents**

Cash includes amounts in 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.

## CADDO PARISH FIRE DISTRICT NO. 4

Notes to Financial Statements  
December 31, 2021

### 1. *Summary of Significant Accounting Policies (continued):*

#### **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 a reporting period. Actual results could differ from those estimates.

#### **Capital Assets**

The District's assets are recorded at historical cost. Capital assets are recorded as expenditures in the governmental financial statements. Additions, improvements and other capital outlays that extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are 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.

#### **Long-term obligations**

In the government-wide statements, debt principal payments of both government and business-type 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.

Governmental fund type receivables consist primarily of amounts due for property taxes and charges for service (structure fees and ambulance fees).

#### **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:

*Invested in Capital Assets, Net of Related Debt* - 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.

**CADDO PARISH FIRE DISTRICT NO. 4**

Notes to Financial Statements  
December 31, 2021

**1. Summary of Significant Accounting Policies (continued):**

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

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

*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* - This classification includes amounts that cannot be spent that are not in spendable form or legally required to be maintained intact.

*Unassigned* - This classification is the residual fund balance for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes.

**2. Cash and Cash Equivalents:**

At December 31, 2021, the District has cash and cash equivalents as follows:

	Bank Balances	Book Balances
Interest-bearing demand deposits	\$ 1,305,794	\$ 1,295,545

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, 2021, deposits of \$1,000,000 were collateralized by FDIC insurance. Deposits of \$295,545 were collateralized by securities held by the depository bank in the name of the District.

The District had funds totaling \$518,037 at Louisiana Asset Management Pool (LAMP). LAMP was established and administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. LAMP accepts deposits from public entities. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality vehicles for investment. The LAMP portfolio includes only securities in which local governments are authorized to invest. The dollar weighted average portfolio of LAMP assets is restricted to no more than 90 days and of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants access to their balances. LAMP is rated AAA by Standard and Poor's.

## CADDO PARISH FIRE DISTRICT NO. 4

Notes to Financial Statements

December 31, 2021

### 3. *Ad Valorem Taxes and Structure Fees:*

The District levies on teal and business personal property within the boundaries on November 1st of each year. Property taxes are due before December 31st and attach as an enforceable lien on property as of January 1st of the following year.

The District collects a (20.79) mil ad valorem tax. The purpose of the tax is for maintaining and operating fire protection facilities, purchasing fire trucks and other fire fighting equipment, and paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and services. Assessed valuations of property totaled \$62,778,634. Taxes assessed totaled \$1,305,158.

The District also collects a \$150 service charge (structure fee) for each residential and commercial structures. Total service charges levied at December 31, 2021 were \$572,100.

### 4. *Receivables:*

A summary of receivables at December 31, 2021, follows:

	Total
Ad valorem Taxes	\$ 1,544,858
Structure Fees	520,267
Ambulance Fees	47,979
Total	\$ 2,065,125

### 5. *Capital Assets:*

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Net Additions	Ending Balance
Government activities:			
Land	\$ 41,197	\$ -	\$ 41,197
Capital assets, being depreciated:			
Buildings & improvements	\$ 1,503,621	\$ 199,500	\$ 1,703,121
Equipment & Furniture	4,218,231	19,437	4,237,668
Retirements	-	-	-
Total	5,721,852	218,937	5,940,789
Less accumulated depreciation	(2,506,091)	(395,684)	(2,901,775)
Total	(2,506,091)	(395,684)	(2,901,775)
Net capital assets	\$ 3,256,958	\$ (176,747)	\$ 3,080,211

Total additions for the year ended December 31, 2021 were \$218,937.

Depreciation expense for the year ended December 31, 2021 was \$395,684.



## CADDO PARISH FIRE DISTRICT NO. 4

Notes to Financial Statements

December 31, 2021

### 6. *Firefighters' Retirement System of Louisiana (FRS)(continued):*

**Option 2** - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

**Option 3** - Upon retirement the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.

**Option 4** - Upon retirement, the member elects to receive a board approved benefit payable to the member, the member's spouse, or the member's dependent child, which is actuarially equivalent to the maximum benefit.

#### **Initial Benefit Option Plan**

This option is available only to regular retirees who have not participated in the Deferred Retirement Option Plan. Under this option, members may receive an initial benefit plus a reduced monthly retirement allowance which, when combined, equal the actuarially equivalent amount of the maximum retirement allowance. The initial benefit may not exceed an amount equal to thirty-six payments of the member's maximum retirement allowance. The initial benefit can be paid either as a lump-sum payment or placed in an account called an "initial benefit account" with interest credited thereto and monthly payments made from the account.

A member may also elect to receive an actuarially reduced benefit which provides for an automatic 2 1/2% annual compound increase in monthly retirement benefits based on the reduced benefit and commencing on the latter of age fifty-five or retirement anniversary; this COLA is in addition to any ad hoc COLAs which are payable.

#### **Deferred Retirement Option Plan (DROP)**

In lieu of terminating employment and accepting a service retirement allowance, any member of the system who has at least twenty-five years of creditable service and who is eligible to receive a service retirement allowance may elect to participate in DROP for up to thirty-six months and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the system terminates and neither the employee nor employer contributions are payable. Compensation and creditable service will remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into DROP account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the account equal to the payments to the account, or a true annuity based upon

## CADDO PARISH FIRE DISTRICT NO. 4

Notes to Financial Statements  
December 31, 2021

### 6. *Firefighters' Retirement System of Louisiana (FRS)(continued):*

his account, or he may elect any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the fund during the period of participation will begin to be paid to the retiree. If employment is not terminated at the end of thirty-six months, payment into the account cease; and the member resumes active contributing membership in the system. If the participant dies during the period of participation in the program, a lump-sum payment equal to his/her balance is paid to his/her named beneficiary or, if none, to his/her estate; in addition, normal survivor benefits are payable to survivors of retirees.

#### **Disability Benefits**

Any member who has been officially certified as totally disabled solely as a result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member, is entitled to disability benefits. Any member under the age of fifty who becomes totally disabled will receive a disability benefit equal to 60% of final compensation for an injury received in the line of duty; or 75% of accrued retirement benefit with a minimum of 25% of average salary for an injury received, even though not in the line of duty. Any member age fifty or older who becomes totally disabled as a result of an injury sustained in the line of duty is entitled to disability benefit equal to the greater of 60% of final compensation or his accrued retirement benefit. Any member age fifty or older who becomes totally disabled as a result of an injury, even though not in the line of duty, is entitled to a disability benefit equal to his accrued retirement benefit with a minimum of 25% of average salary. The surviving spouse of a member who was on disability retirement at the time of death receives a benefit of \$200/month. When the member takes disability retirement, he/she may in addition take an actuarially reduced benefit in which case the member's surviving spouse receives 50% of the disability benefit being paid immediately prior to the death of the disability retiree. The retirement system may reduce benefits paid to a disability retiree who is also receiving workers compensation payments.

#### **Survivor's Benefits**

Benefits are payable to survivors of a deceased member who dies and is not eligible for retirement as follows: If any member is killed in the line of duty and leaves a surviving eligible spouse, the spouse entitled to an annual benefit equal to two-thirds of the deceased member's final compensation. If any member dies from a cause not in the line of duty, the surviving spouse is entitled to an annual benefit equal to 3% of the deceased member's average final compensation multiplied by his/her total years of creditable service; however, in no event is the annual benefit less than 40% nor more than 60% of the deceased member's average final compensation. Children of the deceased member who are under the age of eighteen years are entitled to the greater of \$200/month or 10% of average final compensation, (not to exceed an aggregate of 100% of average final compensation) until reaching the age of twenty-two if enrolled full-time in an institution of higher learning, unless the surviving child is physically handicapped or mentally retarded in which case the benefit is payable regardless

## CADDO PARISH FIRE DISTRICT NO. 4

Notes to Financial Statements

December 31, 2021

### 6. *Firefighters' Retirement System of Louisiana (FRS)(continued):*

of age. If a deceased member dies leaving no surviving spouse, but at least one minor child, each child is entitled to receive 40% of the deceased's average final compensation, not to exceed an aggregate of 60% of average final compensation.

#### **Cost-of-Living Increases**

Under the provisions of R.S. 11:246 and 11:2260A(7), the Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost-of-living adjustment (COLA) increase of up to 3% of their current benefit, and all retired members and widows who are sixty-five years of age or older a 2% increase in their original benefit. In order for the board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earning (R.S 11:243). In lieu of these cost-of-living adjustments, pursuant to R.S. 11:241, the board may also grant an increase in the form of "Xx(A=B)" where "X" is any amount up to \$1/month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member or retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30, of the initial year of such increase.

#### **Contributions**

Employer contributions are actuarially determined each year. For the measurement date of June 30, 2021, employer and employee contributions for members above the poverty line were 32.5% and 10%, respectively. The employer and employee contribution rates for those members below the poverty line were 34.25% and 8.0%, respectively.

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, but are not considered special funding situations.

The District's contractually required composite contribution rate for the year ended December 31, 2021 was 32.25% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. With an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were \$243,910 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a liability of \$1,090,450 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 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 the contributions to the pension plan relative to the projected contributions of all

**CADDO PARISH FIRE DISTRICT NO. 4**

Notes to Financial Statements  
December 31, 2021

**6. Firefighters' Retirement System of Louisiana (FRS)(continued):**

participating employers, actuarially determined. At June 30, 2021, the District's proportion was .307702% which was an increase of .035387% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the District recognized pension expense of \$191,231.

As of December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,562	\$ (97,925)
Changes in assumption	236,293	-
Net difference between projected and actual earnings on pension plan investments	-	(661,749)
Changes in employer's portion of beginning net pension liability	312,938	(356,675)
Differences between employer contributions and proportionate share of employer contributions	133,286	-
Subsequent Measurement Contributions		-
Total	\$ 698,079	\$ (1,116,349)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the pension expense as follows:

Year ended June 30:	
2022	\$ (178,701)
2023	(157,764)
2024	54,993
2025	25,784
2025	28,596
Total	\$ (227,092)

**CADDO PARISH FIRE DISTRICT NO. 4**

Notes to Financial Statements  
December 31, 2021

**6. Firefighters' Retirement System of Louisiana (FRS)(continued):**

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 is as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	6.9% net of investment expense
Mortality	The mortality rate assumption used was based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Salary Increases, including inflation (2.50%) and merit	<b>Years of Service</b>	<b>Salary Growth Rate</b>
	1-2	14.10%
	3-24	5.20%
	25 & Over	4.50%

The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement System's Actuarial Committee, taking into consideration the recommendation of the actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CADDO PARISH FIRE DISTRICT NO. 4**

Notes to Financial Statements  
December 31, 2021

**6. Firefighters' Retirement System of Louisiana (FRS)(continued):**

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected nominal rate of return was 6.9% as of June 30, 2021. Best estimates of real rates of return for each major asset class included FRS' target asset allocation as of June 30, 2021 are summarized in the following table:

<b>Asset Class</b>	<b>Long-term Target Asset Allocation</b>	<b>Expected Portfolio Real Rate of Return</b>
Fixed Income	26%	1.38%
Equity	56%	6.40%
Alternatives	18%	7.42%
Others	0%	0.00%
Total	<u>100%</u>	

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the Net Pension Liability using the discount rate of 6.9%, as well as what the District's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower (5.9%) or one percentage point higher (7.9%) than the current rate:

	1.0% Decrease (5.9%)	Current Discount Rate (6.9%)	1.0% Increase (7.9%)
Employer's proportionate share of net pension liability	\$ 5,411,694	\$ 1,090,450	\$ 660,211

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighter's Retirement System Annual Report at [www.lafirefightersret.com](http://www.lafirefightersret.com) or at [www.la.state.la.us](http://www.la.state.la.us).

**CADDO PARISH FIRE DISTRICT NO. 4**

Notes to Financial Statements  
December 31, 2021

**6. Firefighters' Retirement System of Louisiana (FRS)(continued):**

**Payables to Pension Plan**

These financial statements include a payable to the pension plan of \$41,698 which is the legally contribution due at December 31, 2021. The amount is recorded in accrued expenses.

**7. Per Diem Paid to Commissioners:**

No per diem was paid to the commissioners for the year ended December 31, 2021.

**8. Long-Term Obligations:**

Changes in long-term debt are as follows:

	<u>Balance 1/1/2021</u>	<u>Proceeds</u>	<u>(Principal) (Payments)</u>	<u>Balance 12/31/2021</u>
Sales Tax Bonds, Series 2016	<u>\$ 3,450,000</u>	<u>\$ -</u>	<u>\$ (170,000)</u>	<u>\$3,280,000</u>
Totals	<u>\$ 3,450,000</u>	<u>\$ -</u>	<u>\$ (170,000)</u>	<u>\$3,280,000</u>

Bonds payable at December 31, 2021 is comprised of the following:

Bonds issued August 1, 2019, due in annual payments of \$50,000 through \$155,000, interest ranging from 3.75%, beginning March 1, 2020, collateralized by levy and collection of ad valorem taxes.

The annual requirements to amortize the bonds payable, including interest of \$909,929, as of December 31, 2021 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 175,000	93,374	\$ 268,374
2023	180,000	90,930	270,930
2024	185,000	87,703	272,703
2025	195,000	83,735	278,735
2026	205,000	79,233	284,233
2027 and after	2,340,000	474,954	2,814,954
Total	<u>\$ 3,280,000</u>	<u>\$ 909,929</u>	<u>\$4,189,929</u>

## CADDO PARISH FIRE DISTRICT NO. 4

Notes to Financial Statements  
December 31, 2021

### **9. Risk Management:**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation. There were no significant reductions in insurance coverage from the prior year.

### **10. On-Behalf Payments for Fringe Benefits and Salaries:**

Supplemental salary payments are made by the State directly to certain firemen employed by the District. GASB Statement No. 24 requires that on-behalf payments be recognized as both revenue and expenditure by an employer government entity. In accordance with this Statement, \$72,000 has been recognized as both intergovernmental revenue (state supplemental pay) and salaries in the General Fund.

### **11. Reconciliation of Differences between the Budgetary-Based Fund Financial Statements and the GAAP-Based Fund Financial Statements:**

As discussed in Note 1, the budget is prepared on a cash basis of accounting. However, the modified accrual basis of accounting is used for fund financial reporting purposes in accordance with GAAP. Exhibit 1 on page 30 is a reconciliation of revenues and expenditures recognized in accordance to the budgetary basis (cash basis) for the year ended December 31, 2021.

### **12. Subsequent Events:**

Management has evaluated subsequent events through June 20, 2022, the date the financial statements were available to be issued, and determined no additional disclosures are warranted.

**CADDO PARISH FIRE DISTRICT NO. 4**  
 Budgetary/GAAP Reporting Reconciliation  
 December 31, 2021

	Actual on GAAP Basis	General Fund Adjustment to Budgetary Basis	Actual on Budgetary Basis
<b>Revenues:</b>			
Ad valorem taxes	\$ 1,262,039	\$ 42,268	\$ 1,304,307
Fire protection service fees	513,796	47,889	561,685
Ambulance fees	290,427	5,378	295,805
Intergovernmental			
State fire insurance rebate	26,055	-	26,055
State revenue sharing	23,513	(2,304)	21,209
State supplemental pay	72,000	(72,000)	-
Interest earned	6,089	(2)	6,087
Miscellaneous	8,770	-	8,770
Total revenues	<u>2,202,689</u>	<u>21,229</u>	<u>2,223,918</u>
<b>Expenditures:</b>			
General government	2,214,728	(76,236)	2,138,492
Total expenditures	<u>2,214,728</u>	<u>(76,236)</u>	<u>2,138,492</u>
Changes in Fund Balance before Other Financing Resources	(12,039)	97,465	85,426
<b>Other Financing Sources:</b>			
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over Expenditures	(12,039)	<u>97,465</u>	<u>85,426</u>
Fund Balance, Beginning of Year	<u>3,391,772</u>		
Fund Balance, End of Year	<u><u>\$ 3,379,733</u></u>		

**CADDO PARISH FIRE DISTRICT NO. 4**  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
(Cash Basis)  
General Fund  
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,289,600	\$ 1,304,685	\$ 1,304,307	\$ (378)
Fire protection service fees	559,480	561,685	561,685	-
Insurance revenue	220,000	295,075	295,805	730
Intergovernmental				
State fire insurance rebate	26,000	26,055	26,055	-
State revenue sharing	21,000	21,210	21,209	(1)
State supplemental pay	-	-	-	-
Interest earned	16,800	6,095	6,087	(8)
Miscellaneous	650	8,759	8,770	11
Total revenues	<u>2,133,530</u>	<u>2,223,564</u>	<u>2,223,918</u>	<u>354</u>
<b>Expenditures:</b>				
General government	1,929,513	2,063,678	2,138,492	(74,814)
Total expenditures	<u>1,929,513</u>	<u>2,063,678</u>	<u>2,138,492</u>	<u>(74,814)</u>
<b>Excess Revenues Over Expenditures before Other Financing Sources</b>				
	204,017	159,886	85,426	(74,460)
<b>Other Financing Sources:</b>				
Proceeds from debt	-	-	-	-
<b>Excess Revenues over Expenditures</b>				
	204,017	159,886	85,426	(74,460)
<b>Fund Balances, Beginning of Year</b>	<u>3,391,772</u>	<u>3,391,772</u>	<u>3,391,772</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 3,595,789</u>	<u>\$ 3,551,658</u>	<u>\$ 3,477,198</u>	<u>\$ (74,460)</u>

**CADDO PARISH FIRE DISTRICT NO. 4**  
Schedule of Employer's Share of Net Pension Liability  
Year Ended December 31, 2021

Year Ended Jun 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
2015	0.266703%	\$ 1,439,426	\$ 698,098	206.19%	99.55%
2016	0.263569%	1,723,977	599,429	287.60%	68.16%
2017	0.255648%	1,465,336	574,660	254.99%	73.55%
2018	0.238811%	1,373,659	582,350	235.88%	73.96%
2019	0.242085%	1,522,176	614,851	247.57%	73.96%
2020	0.272315%	1,887,565	169,132	1116.03%	72.61%
2021	0.307702%	1,090,450	737,940	147.77%	86.78%

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

**CADDO PARISH FIRE DISTRICT NO. 4**

Schedule of Employer Contributions  
Year Ended December 31, 2021

<u>Year Ended December 31</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	198,769	\$ 198,769	\$ -	\$ 698,098	28.47%
2016	294,597	294,597	-	1,122,368	49.15%
2017	148,557	148,557	-	574,660	25.85%
2018	154,333	154,333	-	582,350	26.50%
2019	166,905	166,905	-	614,851	27.15%
2020	50,705	50,705	-	169,132	29.98%
2021	243,910	243,910	-	737,940	33.05%

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

**CADDO PARISH FIRE DISTRICT NO. 4**

Note to Retirement System Schedules  
Year Ended December 31, 2021

Firefighter's Retirement System

Changes of benefit terms - There were no changes of benefit terms for the year ended December 31, 2021.

Changes of assumptions - There were no changes of benefit assumptions for the year ended December 31, 2021.

**CADDO PARISH FIRE DISTRICT NO. 4**

Schedule of Compensation, Reimbursements, Benefits, and Other Payments  
to Agency Head  
For the Year Ended December 31, 2021

---

---

Agency Head: Bryant Williams, Fire Chief

Salary	<u>\$ 88,259</u>
Payroll Taxes	<u>\$ 1,388</u>
Retirement	<u>\$ 30,163</u>
State Supplemental Pay	<u>\$ 6,000</u>
Dues & Subscriptions	<u>\$ 25</u>



# 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*

Board of Commissioners  
Caddo Parish Fire District No. 4  
Keithville, 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 the governmental activities of Caddo Parish Fire District No. 4 as of and for the year ended December 31, 2021, and related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated June 20, 2022.

### Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Caddo Parish Fire District No. 4'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 of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

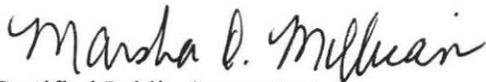
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caddo Parish Fire District No. 4'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 is required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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



Certified Public Accountant

June 20, 2022

**CADDO PARISH FIRE DISTRICT NO. 4**

Corrective Action Taken on Prior Year Findings

Year Ended December 31, 2021

There were no findings for the year ended December 31, 2020.

**CADDO PARISH FIRE DISTRICT NO. 4**

Schedule of Findings

Year Ended December 31, 2021

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.

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



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

To the Board of Commissioners  
Caddo Parish Fire District No. 4  
Keithville, 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, 2021 through December 31, 2021. Management of Caddo Parish Fire District No. 4 (the District) is responsible for those C/C areas identified in the SAUPS.

The Board of Commissioners of Caddo Parish Fire District No. 4 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, 2021 through December 31, 2021. Additionally, LLA has agreed to 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:

### *Written Policies and Procedures*

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

**The entity has written policies and procedures that adequately address this function.**

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

**The entity has written policies and procedures that adequately address this function.**

- c) *Disbursements*, including processing, reviewing, and approving.

**The entity has written policies and procedures that adequately address this function.**

- d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

**The entity has written policies and procedures that adequately address this function.**

- e) *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(s) rate of pay or approval and maintenance of pay rate schedules.

**The entity has written policies and procedures that adequately address this function.**

- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**The entity has written policies and procedures that adequately address this function.**

- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

**The entity has written policies and procedures that adequately address this function.**

- h) *Travel and expense reimbursements*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**The entity has written policies and procedures that adequately address this function.**

- i) *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.

**The entity has written policies and procedures that adequately address this function.**

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**The entity has written policies and procedures that adequately address this function.**

- k) **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.

**The entity has written policies and procedures that adequately address this function.**

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**The entity has written policies and procedures that adequately address this function.**

#### **Board or Finance Committee**

---

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

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

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, 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.*

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

- c) For governmental entities, obtain the prior year audit report and observe 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.

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

### ***Bank Reconciliations***

---

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) 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);

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

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

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

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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

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

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites, obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

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

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

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

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

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

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

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

- 6. 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 enforced during the fiscal period.

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

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, 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.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

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

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

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

- c) Trace the deposit slip total to the actual deposit per the bank statement.

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

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

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

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

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

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

---

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

**All payments are processed through off-site CPA.**

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

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

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

- b) At least two employees are involved in processing and approving payments to vendors.

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

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

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

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

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

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

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

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic lobbying) of segregation of duties tested under #9, as applicable.

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

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

---

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

**A list of all credit, debit, fuel and other cards was obtained with management's assertion that the list is complete.**

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select on monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was received and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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

- b) Observe that finance charges and late fees were not assessed on the selected statements.

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

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions

subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioners should describe the nature of the transaction and note 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.**

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

---

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

a) If reimbursed using a per diem, 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)).

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

b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

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

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

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

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

#### ***Contracts***

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts

(or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

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

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

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

- c) 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).

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

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

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

### ***Payroll and Personnel***

---

16. Obtain a list of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related salaries and personnel files, and agree paid salaries to authorized salaries/ pay rates in the personnel files.

**This procedure was performed and no exceptions were noted.**

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). [Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

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

- b) Observe that supervisors approved the attendance and leave of the selected employees of officials.

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

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's accumulative leave records.

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

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

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

- 18. Obtain 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity 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 or official's personnel files, and agree the termination payment to entity policy.

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

- 19. Obtain 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.**

### ***Ethics***

---

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed on hour of ethics training during the fiscal period.

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

- b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

***Debt Service***

---

21. Obtain 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.

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

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (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.**

***Fraud Notice***

---

23. Obtain 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.

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

24. Observe 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.**

***Information Technology Disaster Recovery/Business Continuity***

---

25. Perform the following procedures, **verbally discuss the results with management, and report, "I performed the procedure and discussed the results with management."**
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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

- c) Obtain 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.

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

### ***Sexual Harassment***

---

- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

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

- 27. Observe 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).

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

- 28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements.;

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

- b) Number of sexual harassment complaints received by the agency;

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

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

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

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

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

- e) Amount of time it took to resolve each complaint.

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

I was engaged by the Department 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.



Certified Public Accountant

June 20, 2022