

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended
December 31, 2022

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2022

C O N T E N T S

	Statement	Page No.
Accountant's Compilation Report		3
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	A	6
Statement of Activities	B	7
Fund Financial Statements:		
Governmental Fund:		
Balance Sheet	C	8
Statement of Revenue, Expenditures and Changes in Fund Balances	D	9
Notes to the Financial Statements		10
	Schedule	Page No.
Required Supplemental Information:		
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and And Actual - General Fund	1	17
Supplemental Information Schedule:		
Schedule of Compensation, Benefits, And Other Payments to Agency Head And Board of Commissioners	2	20

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana
Annual Financial Statements
As of and for the Year Ended December 31, 2022

C O N T E N T S (Contd.)

Current Year Findings and Corrective Action Plan	3	21
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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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Accountant's Compilation Report

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities and major fund information of Columbia Heights Fire District (the "District"), a component unit of Caldwell Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head and board of commissioners is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to my compilation engagement, but I have not audited or reviewed the supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 17 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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. This information is the representation of management. I have not performed an audit, review or compilation on the required supplementary information, and, accordingly, I do not express an opinion, a conclusion, nor provide any assurance on such information.

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

I am not independent with respect to Columbia Heights Fire District for the year ended December 31, 2022.

A handwritten signature in black ink that reads "Carlee Dumas". The signature is written in a cursive, flowing style.

Calhoun, Louisiana
February 27, 2023

BASIC FINANCIAL STATEMENTS

Statement A

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

STATEMENT OF NET POSITION
December 31, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash	\$70,476
Investments	35,526
Capital assets, net	<u>19,048</u>
TOTAL ASSETS	<u>125,050</u>
LIABILITIES - accounts payable	<u>1,240</u>
NET POSITION	
Net investment in capital assets	19,048
Unrestricted	<u>104,762</u>
TOTAL NET POSITION	<u><u>\$123,810</u></u>

See accompanying notes and accountant's compilation report.

Statement B

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>
Expenses:	
Public safety - fire protection	<u>\$29,703</u>
General revenue:	
Sales taxes	11,639
State fire insurance rebate	12,756
Interest earnings	<u>468</u>
Total general revenue	<u>24,863</u>
Change in net position	(4,840)
Net position - beginning	<u>128,650</u>
Net position - ending	<u><u>\$123,810</u></u>

See accompanying notes and accountant's compilation report.

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2022

	<u>GENERAL FUND</u>
ASSETS	
Cash	\$70,476
Investments	<u>35,526</u>
TOTAL ASSETS	<u><u>\$106,002</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities - accounts payable	\$1,240
Fund balance - unassigned	<u>104,762</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$106,002</u></u>
Reconciliation of the Balance Sheet of Governmental Fund To the Statement of Net Position:	
Fund balance - unassigned - General Fund	\$104,762
Amount reported for net position of governmental activities in the Statement of Net Position (Statement A) is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund	<u>19,048</u>
Net position of governmental activities (Statement A)	<u><u>\$123,810</u></u>

See accompanying notes and accountant's compilation report.

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended December 31, 2022

	<u>GENERAL FUND</u>
REVENUE	
Sales taxes	\$11,639
Intergovernmental revenue - state fire insurance rebate	12,756
Interest earnings	468
Total revenue	<u>24,863</u>
EXPENDITURES	
Public safety - fire protection:	
Operating services	18,785
Materials and supplies	9,768
Total expenditures	<u>28,553</u>
NET CHANGE IN FUND BALANCE	(3,690)
FUND BALANCE AT BEGINNING OF YEAR	<u>108,452</u>
FUND BALANCE AT END OF YEAR	<u><u>\$104,762</u></u>
 Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities:	
Net change in fund balance - General Fund	(\$3,690)
Amount reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	<u>(1,150)</u>
Change in net position of governmental activities (Statement B)	<u><u>(\$4,840)</u></u>

See accompanying notes and accountant's compilation report.

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

INTRODUCTION

The Columbia Heights Fire District (the “District”) was created by the Caldwell Parish Police Jury, on April 1, 1996, as authorized by Louisiana Revised Statute 40:1492. The District is governed by a five member board appointed by the police jury. Board members serve without benefit of compensation. The District is responsible for providing fire protection within the boundaries of the District.

GASB Statement No. 14, *The Reporting Entity* and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, the District is considered a component unit of the Caldwell Parish Police Jury. As a component unit, the accompanying financial statements maybe included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported as general revenue.

Separate financial statements are generally provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements. The District has only one governmental fund.

See accountant’s compilation report.

COLUMBIA HEIGHTS FIRE DISTRICT
Notes to the Financial Statements

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenue is considered to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Sales taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following governmental fund:

General Fund

The General fund is the general operating fund of the district and accounts for all financial resources.

C. Deposits and Investments

Cash includes amounts in interest-bearing demand deposits. State law limits the District's credit risk by restricting the District's investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 2022, the District's investments consist of a nonnegotiable certificate of deposit with an original maturity that exceeds 90 days that is reported in the accompanying financial statements at cost. The District's interest rate risk is limited by the investment of funds for no longer than twenty-four months.

See accountant's compilation report.

COLUMBIA HEIGHTS FIRE DISTRICT

Notes to the Financial Statements

D. Sales Tax

The District receives a pro-rata share of a one-fourth of one percent parishwide (excluding the Town of Columbia) sales tax approved by the voters in Caldwell Parish on October 19, 1985 for fire protection in the parish. The sales tax is collected by the police jury and remitted to the District net of its pro-rata share of the cost of collection.

E. Capital Assets

Capital assets, which consist of buildings, land improvements, and equipment are reported in the governmental activities column in the government-wide financial statements. All of the District's capital assets are capitalized at historical cost. The District maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Buildings	40 years
Land improvements - parking lot	20 years
Equipment	10 years

F. Net Position/Fund Balance

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which funds can be spent. Fund balance should be reported as restricted when constraints on the use of the funds meet the same criteria as restricted net position in the government-wide statement of net position as noted in the previous paragraph. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the board of commissioners are reported as committed fund balance. Assigned fund balance are amounts that are constrained by the

See accountant's compilation report.

COLUMBIA HEIGHTS FIRE DISTRICT

Notes to the Financial Statements

government's intent to be used for specific purposes, but are neither restricted nor committed. The board of commissioners is authorized to assign amounts to a specific purpose. Unassigned fund balance is the residual classification and represents fund balance that has not been restricted, committed, or assigned to a specific purpose.

At December 31, 2022, the District's had only unassigned fund balance in the General Fund.

G. Estimates

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Information

The District uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is formally adopted by the board of commissioners at the December board meeting each year. The budget is established and controlled by the board at the object level of expenditure.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Encumbrance accounting is not used by the District. All changes in the budget must be approved by the board of commissioners.

Budgeted amounts included in the accompanying financial statements include the original adopted budget. There were no budget amendments during the year.

The following individual fund's actual expenditures exceeded budgeted expenditures for the year ended December 31, 2022:

See accountant's compilation report.

COLUMBIA HEIGHTS FIRE DISTRICT
Notes to the Financial Statements

	Original Budget	Final Budget	Actual	Unfavorable Variance
General Fund	<u>\$22,300</u>	<u>\$22,300</u>	<u>\$28,553</u>	<u>\$6,253</u>

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2022, the District has cash and investments as follows:

Interest-bearing checking account	\$4,048
Savings account	66,428
Certificate of deposit	<u>35,526</u>
Total	<u>\$106,002</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Cash and investments (bank balances) at December 31, 2022, are fully secured from risk by federal deposit insurance.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2022, is as follows:

	Balance at January 1, 2022	Increases	Decreases	Balance at December 31, 2022
Governmental activities:				
Capital assets being depreciated:				
Buildings	\$35,465			\$35,465
Land improvements	5,629			5,629
Equipment	<u>84,867</u>			<u>84,867</u>
Total	<u>125,961</u>	NONE	NONE	<u>125,961</u>
Less accumulated depreciation for:				
Buildings	16,107	\$887		16,994
Land improvements	4,789	263		5,052
Equipment	<u>84,867</u>			<u>84,867</u>
Total	<u>105,763</u>	<u>1,150</u>	NONE	<u>106,913</u>

See accountant's compilation report.

COLUMBIA HEIGHTS FIRE DISTRICT
Notes to the Financial Statements

	Balance at January 1, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance at December 31, <u>2022</u>
Total assets being depreciated, net	<u>\$20,198</u>	<u>(\$1,150)</u>	<u>NONE</u>	<u>\$19,048</u>

Depreciation expense of \$1,150 for the year ended December 31, 2022 was charged to the public safety - fire protection governmental function.

REQUIRED SUPPLEMENTAL INFORMATION

See accountant's compilation report.

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended December 31, 2022

	BudgetedAmounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUE				
Sales taxes	\$10,000	\$10,000	\$11,639	\$1,639
Intergovernmental revenue - state - fire insurance rebate	7,100	7,100	12,756	5,656
Interest earnings	500	500	468	(32)
Total revenue	<u>17,600</u>	<u>17,600</u>	<u>24,863</u>	<u>7,263</u>
EXPENDITURES				
Public safety - fire protection:				
Operating services	19,300	19,300	18,785	515
Material and supplies	2,000	2,000	9,768	(7,768)
Travel and other	1,000	1,000		1,000
Total expenditures	<u>22,300</u>	<u>22,300</u>	<u>28,553</u>	<u>(6,253)</u>
NET CHANGE IN FUND BALANCE	(4,700)	(4,700)	(3,690)	1,010
FUND BALANCE AT BEGINNING OF YEAR	<u>108,452</u>	<u>108,452</u>	<u>108,452</u>	
FUND BALANCE AT END OF YEAR	<u><u>\$103,752</u></u>	<u><u>\$103,752</u></u>	<u><u>\$104,762</u></u>	<u><u>\$1,010</u></u>

There were no budget amendments during the year ended December 31, 2022.

See accountant's compilation report.

SUPPLEMENTAL INFORMATION SCHEDULE

See accountant's compilation report.

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended December 31, 2022

**SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
AND BOARD OF COMMISSIONERS**

The Schedule of Compensation, Benefits, and Other Payments to Agency Head and Board of Commissioners is presented in compliance with Louisiana Revised Statute 24:513 A (3) and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Columbia Heights Fire District board of commissioners serve without benefit of compensation. There were two vacancies on the board during the year ended December 31, 2022.

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD AND
BOARD OF COMMISSIONERS

For the Year Ended December 31, 2022

BOARD COMPENSATION:

Agency Head - A. B. Masters - President
Louis Champagne
Ronnie Darden

NONE
NONE
NONE

Total

NONE

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2022

2022-001. Noncompliance with Local Government Budget Act

Criteria: Louisiana Revised Statute 39:1310-1311 requires the District to amend its General Fund budget when actual expenditures exceed budgeted expenditures by 5% or more.

Condition: For the year ended December 31, 2022, actual General Fund expenditures exceeded budgeted expenditures by \$6,253 or 28%.

Cause: Oversight.

Effect: Violation of L.R.S. 39:1310-1311.

Recommendation: The District should adopt a budget amendment when actual expenditures exceed budgeted expenditures by 5% or more.

Management's Response: The expenditures above those budgeted was an oversight. Our previous fire chief left leaving the District with a lot of problems to fix. Numerous repairs to the fire trucks and equipment were needed, along with supplies for the fire house office. Our District was due a rating inspection so we had the new fire chief try to get things in shape so we wouldn't have a drop in our rating. In the process, we let the total expenses get by us and failed to amend the budget. We will monitor our budget on a regular basis to be sure we are staying within our budget. If not, we will amend the budget as required.

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2022

2022-002. Violation of Louisiana Constitution, Article VII, Section 14

Criteria: Louisiana Constitution, Article VII, Section 14, prohibits the District from loaning, pledging, or donating public funds, assets, or property to persons, associations, or corporations, public or private. Additionally, Louisiana Attorney General Opinion No. 03-0157 states that the primary concern with regard to the provision of meals at meetings, workshops, and training programs is the reasonableness of the expenditure under the circumstances. This opinion stated that serving meals at brief meetings, particularly meetings that could be scheduled at times other than meal times would appear to be unreasonable.

Condition: For the year ended December 31, 2022, the following violations were noted:

Personal expenses totaling \$619 were paid from public funds through the use of the District's debit card on three separate occasions. One disbursement was repaid 31 days after the purchase. Two of the disbursements were recovered by the District by withholding the amount due from a contract labor payment that was made to an individual. The amount of time between these two disbursements and the recovery of the funds was 53 and 15 days, respectively.

There were also two \$100 cash withdrawals from the District's bank account through the use of the District's debit card. Neither of these cash withdrawals were included on the monthly debit card expense report prepared by the user of the card. After the District's bookkeeper requested receipts for the two withdrawals, the user submitted receipts for \$173 of the \$200 withdrawn.

During the period May through October 2022, the District's debit card was used 18 times to purchase food. The total amount of food purchased was \$671. Only 2 of the 18 purchases indicated that the food was for a training meeting.

Cause: Unknown.

COLUMBIA HEIGHTS FIRE DISTRICT
Columbia, Louisiana

CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2022

Effect: Violation of Louisiana Constitution, Article VII, Section 14

Recommendation: The District should not allow the debit card to be used for personal expenses under any circumstances. The debit card should not be used for cash withdrawals under any circumstances. All disbursements of public funds must be supported by itemized receipts before the disbursement is made. Meals should only be paid from public funds when an individual is required to attend a training or meeting that can not be scheduled at a time other than at meal time.

Management's Response: In an effort to rebuild our fire station, the Board thought a debit card might help with minor expenses and that receipts would be furnished for each transaction. When we found the card had been used by mistake or inappropriately, we cancelled the card. Before disbursements or refunds are made, we will have worthy receipts in hand.

Concerning the meals furnished, we had no firemen so we recruited new firemen. All these had to be trained and since these are people working at regular jobs, the training had to be done when they got off from work. In an effort to make it easier to get firemen and get them trained, we tried giving them a simple meal during their training at the fire house. We noted it was getting expensive, so we have basically cut it out. We do have some firemen now, but always need more.