

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA

*Financial Statements*  
*For the Year Ended December 31, 2021*

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
Lincoln Parish Fire Protection District No. 1  
Ruston, Louisiana

### ***Report on the Financial Statements***

#### ***Opinions***

I have audited the accompanying financial statements of the governmental activities of the Lincoln Parish Fire Protection District No. 1 (which is the "District" as well as "the primary government") 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 of the Lincoln Parish Fire Protection District No. 1, 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 Opinions***

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. 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 Lincoln Parish Fire Protection District No. 1 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 opinions.

#### ***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 Lincoln Parish Fire Protection District No. 1'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.

To the Board of Commissioners  
Lincoln Parish Fire Protection District No. 1  
Ruston, Louisiana

***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 opinions. 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 and *Government 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 and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 of the effectiveness of the Lincoln Parish Fire Protection District No. 1'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
- Lincoln Parish Fire Protection District No. 1'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 the I identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule 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.



To the Board of Commissioners  
Lincoln Parish Fire Protection District No. 1  
Ruston, Louisiana

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 the 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 assurances.

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. My opinions on the basic financial statements are not affected by this missing information.

### ***Supplementary Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincoln Parish Fire Protection District No. 1's basic financial statements. The accompanying schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer, 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 directly from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule, in all material respects, in relation to the financial statements as a whole is fairly stated.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated September 30, 2022 on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Monroe, Louisiana  
September 30, 2022

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash	\$ 1,829,697
Investments	2,128,539
Accounts Receivable	737,888
Due from LPPJ	421,317
Non-Depreciable Assets	12,800
Depreciable Assets	<u>1,190,427</u>
Total Assets	<u>6,320,668</u>
<i>Deferred Outflows of Resources</i>	
Pension Related	284,948
Prepaid Expenses	<u>29,619</u>
Total Deferred Outflows of Resources	314,567
<i>Liabilities</i>	
Accounts Payable	44,801
Due to LPPJ	612,413
Non-Current Liabilities	
Net Pension Liability	697,866
Compensated Absences	<u>8,123</u>
Total Liabilities	<u>1,363,203</u>
<i>Deferred Inflows of Resources</i>	
Pension Related	698,474
<i>Net Position</i>	
Net Investment in Capital Assets	1,203,227
Unrestricted	<u>3,370,331</u>
Total Net Position	<u>\$ 4,573,558</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Government Activities:				
Public Safety	<u>\$ 1,191,830</u>	<u>\$ 664,985</u>	<u>\$ 20,000</u>	<u>\$ -</u>
				<u>\$ (506,845)</u>

General Revenues:

Sales Tax	572,297
Fire Insurance Rebate	76,659
Other Revenues	57,578
Transfers Out	-
Total General Revenues	<u>706,534</u>
Changes in Net Position	199,689
Net Position - Beginning	<u>4,373,869</u>
Net Position - Ending	<u>\$ 4,573,558</u>

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



## **FUND FINANCIAL STATEMENTS**

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Equipment Reserve Fund</u>	<u>Fire Training Center</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash	\$ 1,499,344	\$ -	\$ -	\$ 330,353	\$ 1,829,697
Investments	4,323	-	2,124,216	-	2,128,539
Accounts Receivable	737,888	-	-	-	737,888
Prepaid Expenses	29,619	-	-	-	29,619
Due from LPPJ	405,059	3,394	-	12,864	421,317
Due from Other Funds	1,282,001	-	2,173,658	44,178	3,499,837
TOTAL ASSETS	<u>\$ 3,958,234</u>	<u>\$ 3,394</u>	<u>\$ 4,297,874</u>	<u>\$ 387,395</u>	<u>\$ 8,646,897</u>
LIABILITIES AND FUND EQUITY:					
LIABILITIES:					
Accounts Payable	\$ 44,541	\$ -	\$ -	\$ 260	\$ 44,801
Due to LPPJ	606,722	12	-	5,679	612,413
Due to Other Funds	2,141,836	84,454	1,266,290	7,257	3,499,837
Total Liabilities	<u>2,793,099</u>	<u>84,466</u>	<u>1,266,290</u>	<u>13,196</u>	<u>4,157,051</u>
FUND BALANCES:					
Nonspendable	-	-	-	-	-
Restricted	-	(81,072)	3,031,584	-	2,950,512
Committed	-	-	-	-	-
Assigned	-	-	-	374,199	374,199
Unassigned	1,165,135	-	-	-	1,165,135
Total Fund Balances	<u>1,165,135</u>	<u>(81,072)</u>	<u>3,031,584</u>	<u>374,199</u>	<u>4,489,846</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,958,234</u>	<u>\$ 3,394</u>	<u>\$ 4,297,874</u>	<u>\$ 387,395</u>	<u>\$ 8,646,897</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCES TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2021

Total Governmental Fund Balances	\$ 4,489,846
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*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.	1,203,227
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Pension related items are not reported in the fund statements:

Deferred outflows	284,948
Deferred inflows	(698,474)
Net pension liability	(697,866)

Compensated absences are not due and payable in the current period and therefore are not reported in the funds.

(8,123)

Net Position of Governmental Activities	<u>\$ 4,573,558</u>
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The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Debt Service Fund	Equipment Reserve Fund	Fire Training Center	Total Governmental Funds
Revenues:					
Structure Fees	\$ 664,985	\$ -	\$ -	\$ -	\$ 664,985
Sales Tax	572,297	-	-	-	572,297
Local Grants	-	-	-	20,000	20,000
Insurance Rebate	76,659	-	-	-	76,659
Other Revenues	1,193	-	-	128	1,321
Total Revenues	<u>1,315,134</u>	<u>-</u>	<u>-</u>	<u>20,128</u>	<u>1,335,262</u>
Expenditures:					
Public Safety					
Salaries and Benefits	807,184	-	-	-	807,184
Insurance and Surety Bonds	65,655	-	-	-	65,655
GIS Mapping	20,000	-	-	-	20,000
Professional Services	36,568	-	-	2,640	39,208
Uniforms	5,437	-	-	-	5,437
Utilities	52,371	-	-	3,006	55,377
Vehicle Expenditures	38,884	-	-	-	38,884
Maintenance	105,134	-	-	247	105,381
Education and Training	701	-	-	-	701
Telephone	1,867	-	-	-	1,867
Office Supplies	1,123	-	-	-	1,123
Dues and Subscriptions	-	-	-	-	-
Equipment Rental	2,042	-	-	-	2,042
Travel	-	-	-	-	-
Election Expense	713	-	-	-	713
Miscellaneous	9,483	-	-	-	9,483
Leases and Taxes	1,377	-	-	-	1,377
Materials and Supplies	2,824	-	-	-	2,824
Capital Outlay	4,512	-	-	-	4,512
Total Expenditures	<u>1,155,875</u>	<u>-</u>	<u>-</u>	<u>5,893</u>	<u>1,161,768</u>
Excess (Deficiency) of Revenues Over Expenditures	159,259	-	-	14,235	173,494
Other Financing Sources (uses):					
Operating Transfers In	-	-	1,978,870	10,000	1,988,870
Operating Transfers Out	(1,988,870)	-	-	-	(1,988,870)
Total Other Financing Sources(Uses)	<u>(1,988,870)</u>	<u>-</u>	<u>1,978,870</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balance	(1,829,611)	-	1,978,870	24,235	173,494
Fund Balances, Beginning	<u>2,994,746</u>	<u>(81,072)</u>	<u>1,052,714</u>	<u>349,964</u>	<u>4,316,352</u>
Fund Balances, Ending	<u>\$ 1,165,135</u>	<u>\$ (81,072)</u>	<u>\$ 3,031,584</u>	<u>\$ 374,199</u>	<u>\$ 4,489,846</u>

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



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

Net Change in Fund Balances - Total	
Governmental Funds	\$ 173,494

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

Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	-
Depreciation expense	(168,158)
	(168,158)

Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities:

Pension expense	138,104
Other parties' contributions to pension plans	56,257

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

	(8)
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Change in Net Position in Governmental Activities	
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	\$ 199,689
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The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincoln Parish Fire Protection District No. 1 (the District) of Ruston, Louisiana was created by resolution and adopted by the Police Jury on April 23, 1991. The governing body of the District consists of a seven-member Board of Commissioners. Four of these commissioners are appointed by the municipalities of Downsville, Dubach, Simsboro, and the Town of Vienna. Three additional members are appointed by the Policy Jury.

The District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June, 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

*Government-Wide Financial Statements* – The governmental-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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* – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end

Principal revenue sources considered susceptible to accrual include ad valorem taxes, structure fees, sales tax, and interest on investments. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the District’s present appropriation system.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. 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:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2021 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

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 results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

*General Fund* – This fund is established to account for resources devoted to financing the general services that the District performs. Fees and other revenues used to finance the fundamental operation of the District are included in this fund. The fund is charged with all costs of operating the District for which a separate fund has not been established.

*Debt Service* – This fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds and Special Assessment Funds.

*Equipment Reserve Fund* – This fund is established to reserve funds for the replacement of equipment when necessary.

*Fire Training Center Fund* - This fund is established for the purpose of constructing and maintaining a building for training of firefighters.

Use of Estimates

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



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting Procedures

The budgets for the funds are proposed by the Director and formally adopted by the Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles. Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Commissioners. At year end, all appropriations lapse.

Cash and Cash Equivalents

Cash includes demand deposits and money market accounts. Under state law, the Lincoln Parish Fire Protection District No. 1 may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Lincoln Parish Fire Protection District No. 1 may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The District's policy is to include short-term interest-bearing deposits having a maturity of three months or less as cash equivalents in the financial statements.

Valuation of Carrying Amounts and Deposits

Cash is reported at net book value – the year-end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the bank as of that date.

Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

*Restricted Fund Balance* – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the commissioners – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the police jurors remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

*Assigned Fund Balance* – This classification reflects the amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. The commissioners and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned Fund Balance* – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

Receivables

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. In the process of aggregating data for the statements of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified.

Quasi-external transactions are accounted for as revenue and expenditures. Transactions that constitute reimbursements to a fund are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other interfund transactions that are not to be repaid are recorded as transfers.

Fixed Assets

Fixed assets of the District are stated at cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciable lives are 5 years for equipment and vehicles and 40 years for buildings.

Compensated Absences

Employees accrue from 18 to 30 days of annual leave each year depending on years of service with the District. Firemen may receive up to one year’s sick leave per illness as prescribed under Louisiana law. A provision of \$8,123 has been made for the compensated absences and vacation in these financial statements.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 – CASH AND CASH EQUIVALENTS

*Custodial Credit Risk – Deposits.* The custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its' own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2021. The District had cash and cash equivalents in demand deposits, totaling \$1,829,697 at December 31, 2021.

These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at December 31, 2021, are secured, as follows:

Bank Balances	<u>\$ 1,796,416</u>
FDIC Insurance	250,000
Pledged Securities (uncollateralized)	<u>2,662,180</u>
Total	<u>\$ 2,912,180</u>

NOTE 3 – PROPERTY AND EQUIPMENT

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

	December 31, 2020 <u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	December 31, 2021 <u>Balance</u>
Assets:				
Land	\$ 12,800	\$ -	\$ -	\$ 12,800
Construction in Process	-	-	-	-
Vehicles	2,444,563	-	-	2,444,563
Building	981,628	-	-	981,628
Machinery & Equipment	<u>3,229,201</u>	<u>-</u>	<u>-</u>	<u>3,229,201</u>
Totals at Historical Cost	<u>6,655,392</u>	<u>-</u>	<u>-</u>	<u>6,655,392</u>
Less Accumulated Depreciation for:				
Vehicles	( 1,836,180)	( 128,945)	-	( 1,965,125)
Building	( 249,680)	( 24,523)	-	( 274,203)
Machinery & Equipment	<u>( 3,210,947)</u>	<u>( 14,690)</u>	<u>-</u>	<u>( 3,225,637)</u>
Total Accumulated Depreciation	<u>( 5,296,806)</u>	<u>( 168,158)</u>	<u>-</u>	<u>( 5,464,965)</u>
Total Capital Assets Being Depreciated, Net	<u>1,358,585</u>	<u>( 168,158)</u>	<u>-</u>	<u>1,190,427</u>
<u>CAPITAL ASSETS, NET</u>	<u>\$1,371,385</u>	<u>\$ (168,158)</u>	<u>\$ -</u>	<u>\$ 1,203,227</u>

Depreciation was charged to the Public Safety function of the District for \$168,158.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 – INVESTMENTS

*Custodial Credit Risk – Investments.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments in United States government securities are held by the District's agent in the District's name. Therefore, the District had no custodial credit risk related to its investments at December 31, 2021.

Under state law, the District may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 2021, the District had the following investments stated at cost, which approximates market:

United States Government Securities	<u>\$ 2,128,539</u>
-------------------------------------	---------------------

*Interest Rate Risk.* In accordance with its investments policy, the District manages its exposure to declines in fair market values by limiting investment portfolio to "money market investments" which are defined as creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

*Credit Risk.* The District's investment policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies.

*Concentration of Credit Risk.* The District's investment policy limits the District's investment instruments to: 1) certificates of deposit; 2) certain direct obligations of the U.S. Government; 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool.

NOTE 5 – ACCOUNTS RECEIVABLE

The receivable of \$737,888 on December 31, 2021, are detailed as follows:

	<u>Total</u>
Structure Fees	\$ 664,985
Sales Tax	72,903
Other Receivables	<u>-</u>
Total	<u>\$ 737,888</u>

Based on prior experience, the uncollectible ad valorem taxes net of proceeds from the sheriff's sale of property is immaterial, thus no provision for an uncollectible amount has been made. The District records 95% of the structure fee assessment per the tax roll as receivable at year end.



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 – DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2021, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$1,282,001	\$ 162,966
Debt Service Fund	-	84,454
Fire Training Center	44,178	7,257
Equipment Reserve Fund	<u>194,788</u>	<u>1,266,290</u>
Totals	<u>\$1,520,967</u>	<u>\$1,520,967</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

NOTE 7 – PENSION PLAN

**Firefighters' Retirement System of Louisiana (System)**

*Plan Description*

The Lincoln Fire District #1 contributes to the Firefighters' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time firefighters who earn more than \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana.

Any member of the Plan can retire providing the member meets one of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 50 with a minimum of 20 or more years of creditable service.
3. Age 55 with a minimum of 12 or more years of creditable service.

The monthly amount of benefits are 3 1/3% of their average final compensation multiplied by his total years of service, not to exceed 100% of final salary.

The system also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2021, the Lincoln Fire District #1's total payroll for all employees was \$530,415. Total covered payroll was \$502,545. Covered payroll refers to all compensation paid by the Lincoln Fire District #1 to active employees covered by the System.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Firefighters' Retirement System of Louisiana, 3100 Brentwood Drive, Baton Rouge, Louisiana, or by visiting the System's website [www.lafirefightersret.com](http://www.lafirefightersret.com).



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2021, total contributions due for employers and employees were 37.75% for January-June and 42.25% for July-December, 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 accrued liability. The employer and contribution rates for all members were 27.75% and 32.25%, and the employee contribution rate was 10.00% for the entire year. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

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

At December 31, 2021, the District reported a liability of \$697,866 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 Lincoln Fire District #1's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was 0.196923%, which was a decrease of 0.026158% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Lincoln Fire District #1 recognized pension expense of \$68,747 plus the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$206,851). Total pension expense was (\$138,104).

At 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	9,959	62,670
Changes in assumption	151,223	-
Net difference between projected and actual earnings on pension plan investments	-	423,506
Changes in employer's portion of beginning net pension liability	20,802	210,900
Differences between employer contributions and proportionate share of employer contributions	13,906	1,398
Subsequent measurement contributions	89,058	-
Total	284,948	698,474

The \$284,949 reported as deferred outflows of resources related to pensions resulting from the Lincoln Fire District #1 contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Year ended December 31:	
2022	(117,777)
2023	(102,449)
2024	(113,616)
2025	(143,780)
2026	(14,584)
2027	(10,614)

*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:	
Investment Rate of Return	6.90% per annum (net of investment expenses, including inflation) (decreased from 7.00% in 2020)
Expected Remaining Service Lives	7 years, closed period
Inflation rate	2.50% per annum
Mortality Rate Assumption	-For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees. -For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees. -For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees. -In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP-2019 scale.
Salary increases	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases (in 2019, salary increases ranged from 14.75% in the first two years of service to 4.50% with 25 or more years of service)
Cost-of-Living Adjustments (COLAs)	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

The estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation and the G.S. Curran & Company Consultant Average study for 2021. The consultants' average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long term inflation assumption.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
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FOR THE YEAR ENDED DECEMBER 31, 2021

Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long term standard deviation and then reduced the assumption by the long term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2021.

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. Prior year's financial reports presented the long-term expected real rate of return provided by the System's investment consultant, whereas this year's report presents this information for both fiscal years 2020 and 2019 from the System's actuary. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, variances, and correlation coefficients for each asset class. The actuary's method integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2021, and June 30, 2020, are summarized in the following tables:

	Asset Type	Target Allocation	Asset	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	27.50%		5.86%
	Non-U.S. Equity	11.50%		6.44%
	Global Equity	10.00%		6.40%
	Emerging Market Equity	7.00%		8.64%
Fixed Income	U.S. Core Fixed Income	18.00%		0.97%
	U.S. TIPS	3.00%		0.40%
	Emerging Market Debt	5.00%		2.75%
Multi-Asset Strategies	Global Tactical Asset Allocation	0.00%		4.17%
	Risk Parity	0.00%		4.17%
Alternatives	Private Equity	9.00%		9.53%
	Real Estate	6.00%		5.31
	Real Assets	3.00%		***
		100.00%		

*Discount Rate*

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

*Sensitivity of the Lincoln Fire District #1's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Lincoln Fire District #1's proportionate share of the net pension liability calculated using the discount rate of 6.90%, 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 (5.90%) or one percentage-point higher (7.90%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	2,102,892	1,452,206	906,069

*Payables to the Pension Plan*

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at December 31, 2021. This amount is recorded in accrued expenses.

*Plan Fiduciary Net Position*

Detailed information about the System's fiduciary net position is available in the separately issued Firefighters' Retirement System of Louisiana Audit Report at [www.lafirefightersret.com](http://www.lafirefightersret.com).

NOTE 9 - DEFERRED COMPENSATION PLAN

Employees of the Lincoln Parish Fire Protection District No. 1 may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Lincoln Parish Fire Protection District No. 1. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statement No. 32 and No. 34, plan balances and activities are not reflected in the financial statements of the Lincoln Parish Fire Protection District No. 1.

NOTE 10 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual amounts for the year ended December 31, 2020, there was one unfavorable variances more than 5%.

	<u>Budget</u>	<u>Actual</u>	<u>Variances</u> <u>(Unfavorable)</u>
General Fund			
Utilities	\$ 42,000	\$ 52,371	\$ (10,371)

NOTE 11 - LITIGATION AND CLAIMS

According to the Parish District Attorney, the Lincoln Parish Fire Protection District No. 1 had no pending or threatened litigation as of December 31, 2021.



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 –COMPENSATION FOR THE BOARD OF COMMISSIONERS

The members of the Board for the Fire Protection District No. 1 receive no compensation.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 30, 2022, which the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

## **REQUIRED SUPPLEMENTAL INFORMATION**

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues (Inflows):</u>				
Intergovernmental:				
Local Grant	\$ -	\$ -	\$ -	\$ -
Sales Tax	525,000	560,000	572,297	12,297
Structure Fees	645,000	645,000	664,985	19,985
Other Revenues	85,500	88,000	77,852	(10,148)
Total Revenues	<u>1,255,500</u>	<u>1,293,000</u>	<u>1,315,134</u>	<u>22,134</u>
<u>Expenditures (Outflows):</u>				
Public Safety				
Salaries and Benefits	931,685	825,500	807,184	18,316
Insurance and Surety Bonds	67,000	64,000	65,655	(1,655)
GIS Mapping	20,000	20,000	20,000	-
Professional Services	38,500	38,500	36,568	1,932
Uniforms	5,000	5,000	5,437	(437)
Utilities	42,000	42,000	52,371	(10,371)
Vehicle Expenditures	40,000	40,000	38,884	1,116
Maintenance	60,000	70,000	105,134	(35,134)
Education and Training	2,000	800	701	99
Telephone	1,800	1,800	1,867	(67)
Office Supplies	2,500	2,500	1,123	1,377
Dues and Subscriptions	2,000	1,800	-	1,800
Equipment Rental	3,000	2,500	2,042	458
Travel	1,000	400	-	400
Election Expense	-	715	713	2
Miscellaneous	11,500	8,700	9,483	(783)
Leases and Taxes	1,600	1,600	1,377	223
Materials and Supplies	5,000	3,000	2,824	176
Capital Outlay	9,000	3,100	4,512	(1,412)
Total Expenditures	<u>1,243,585</u>	<u>1,131,915</u>	<u>1,155,875</u>	<u>(23,960)</u>
<u>Excess Expenditures Over Revenues</u>	11,915	161,085	159,259	(1,826)
<u>Other Financing Uses</u>				
Transfers In (Out)	<u>(10,000)</u>	<u>(1,988,870)</u>	<u>(1,988,870)</u>	<u>-</u>
<u>Fund Balance at Beginning of Year</u>	<u>2,994,746</u>	<u>2,994,746</u>	<u>2,994,746</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,996,661</u>	<u>\$ 1,166,961</u>	<u>\$ 1,165,135</u>	<u>\$ (1,826)</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - EQUIPMENT RESERVE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues (Inflows):</u>				
Other Revenues	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Total Revenues	20,000	20,000	-	(20,000)
<u>Expenditures (Outflows):</u>				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	20,000	20,000	-	(20,000)
<u>Other Financing Sources</u>				
Transfers In (Out)	-	-	1,978,870	1,978,870
<u>Fund Balance at Beginning of Year</u>	1,052,714	1,052,714	1,052,714	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 1,072,714</u>	<u>\$ 1,072,714</u>	<u>\$ 3,031,584</u>	<u>\$ 1,958,870</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - FIRE TRAINING CENTER  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues (Inflows):</u>				
Grant Revenue	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Other Revenues	120	120	128	8
Total Revenues	20,120	20,120	20,128	8
<u>Expenditures (Outflows):</u>				
Maintenance of Buildings	1,000	-	-	-
Utilities	3,500	3,500	3,006	494
Materials & Supplies	800	50	-	50
Insurance	2,500	2,500	-	2,500
Maintenance of Equipment	4,000	-	247	(247)
Capital Outlay	7,000	-	-	-
Professional Services	500	2,550	2,640	(90)
Total Expenditures	19,300	8,600	5,893	2,707
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures</u>	820	11,520	14,235	2,715
<u>Other Financing Sources</u>				
Transfers In (Out)	-	-	10,000	10,000
<u>Fund Balance at Beginning of Year</u>	330,888	330,888	349,964	(19,076)
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 331,708</u>	<u>\$ 342,408</u>	<u>\$ 374,199</u>	<u>\$ (6,361)</u>

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



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2021

The budgets for the funds are proposed by the Director and formally adopted by the Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles. Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require approval of the Commissioners. At year end, all appropriations lapse.

State law requires the District to amend its budgets when revenues plus projected revenues within a fund are expected to fall short from budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO.1  
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY  
FOR THE YEAR ENDED DECEMBER 31, 2021

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.26669%	\$ 1,439,329	\$ 517,877	278%	72.45%
2016	0.23997%	\$ 1,569,621	\$ 540,151	291%	68.16%
2017	0.22474%	\$ 1,288,199	\$ 539,611	239%	73.55%
2018	0.22643%	\$ 1,302,455	\$ 539,472	241%	74.76%
2019	0.23191%	\$ 1,452,206	\$ 578,524	251%	73.96%
2020	0.22308%	\$ 1,546,297	\$ 546,533	283%	72.61%
2021	0.19692%	\$ 697,866	\$ 502,545	139%	86.78%

Amounts presented were determined as of the measurement date (previous fiscal year end).

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 146,024	\$ 146,024	\$ -	\$ 517,877	28.20%
2016	\$ 141,893	\$ 141,893	\$ -	\$ 540,151	26.27%
2017	\$ 139,727	\$ 139,727	\$ -	\$ 539,611	25.89%
2018	\$ 143,329	\$ 143,329	\$ -	\$ 539,472	26.57%
2019	\$ 163,096	\$ 163,096	\$ -	\$ 578,524	28.19%
2020	\$ 164,776	\$ 164,776	\$ -	\$ 546,533	30.15%
2021	\$ 166,028	\$ 166,028	\$ -	\$ 502,545	33.04%

Amounts presented were determined as of the end of the fiscal year.

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

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

## **OTHER SUPPLEMENTAL INFORMATION**

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Kevin Reynolds	
	Fire Chief	
<i><b>Purpose:</b></i>		
Salary	\$	77,422
Supplemental Pay		6,000
Benefits - Retirement		27,593
Total	\$	111,015



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

To the Board of Commissioners  
Lincoln Parish Fire Protection District No. 1  
Ruston, 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 the Lincoln Parish Fire Protection District No. 1, 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, and have issued my report thereon dated September 30, 2022.

***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions 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.

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, detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

To the Board of Commissioners  
Lincoln Parish Fire Protection District No. 1  
Ruston, Louisiana

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Lincoln Parish Fire Protection District No. 1's financial statements are free from 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-01.

### ***Lincoln Parish Fire Protection District No. 1's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Lincoln Parish Fire Protection District No. 1's response to the findings identified in my audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

### ***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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the use of management of the Lincoln Parish Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Monroe, Louisiana  
September 30, 2022

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021

Board of Commissioners  
Lincoln Parish Fire Protection District No. 1  
Ruston, Louisiana

I have audited the financial statements of the Lincoln Parish Fire Protection District No. 1 (the District) as of and for the year ended December 31, 2021, and have issued my report thereon dated September 30, 2022. 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. My audit of the financial statements as of December 31, 2021, resulted in an unqualified opinion.

**SECTION I - Summary of Auditor's Results**

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness \_\_\_ yes X no

Significant Deficiencies not considered to be

Material Weaknesses \_\_\_ yes X no

Compliance

Compliance Material to Financial Statements X yes \_\_\_ no

B. Federal Awards

Material Weakness Identified \_\_\_ yes X no

Significant Deficiencies not considered to be

Material Weaknesses \_\_\_ yes X no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified \_\_\_\_\_ Qualified \_\_\_\_\_

Disclaimer \_\_\_\_\_ Adverse \_\_\_\_\_

Are their findings required to be reported in accordance with the Uniform Guidance (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)

CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by Uniform Guidance? N/A

**SECTION II - Financial Statement Findings**

**2021-01 Financial Statements Issued After Due Date**

**Condition:** The audit report was submitted after the statutory due date.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021

**SECTION II - Financial Statement Findings (continued)**

**2021-01      Financial Statements Issued After Due Date (continued)**

**Criteria:** LSA-R.S.24.513 states that all engagements must be completed and transmitted to the Legislative Auditor within six months of the close of the auditee fiscal year.

**Cause:** The records were not complete to be able to complete the audit within the required time frame.

**Effect:** When an entity is late filing its report, the entity is placed on the LLA's noncompliance list. Being placed on the list results in an entity receiving no funds from the State until the entity is removed from the list. Management cannot work in a timely manner to resolve internal control deficiencies and noncompliance with laws, regulations, contracts, and grants identified by the auditor.

**Management's Response:** Lincoln Parish Police Jury is working to resolve this issue.

**SECTION III - Federal Award Findings and Questioned Costs**

No matters were reported.



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

There were no findings for this category.

Management Letter Comments

There were no findings for this category.

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

To the Lincoln Parish Fire Protection District No. 1 and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Lincoln Parish Fire Protection District No. 1 (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The findings obtained are described in the attachment to this report.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those 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.

The purpose of this report is 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.



Monroe, Louisiana  
September 30, 2022

## ***Written Policies and Procedures***

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1. Obtain and inspect the Entity's written policies and procedures and observe whether 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.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) ***Payroll/Personnel***, including (1) payroll processing, (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.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (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.
  - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - 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 the 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.
  - l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

### Exceptions

No exceptions were identified in the performance of the procedures listed above.



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

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether 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 public funds if those public funds comprised more than 10% of the Entity's collections during the fiscal period.*
  - 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.

#### Exceptions

No exceptions noted in the above procedures.

### ***Bank Reconciliations***

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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);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

#### Exceptions

No evidence of date prepared or management review was noted on bank reconciliation.

Managements Response: During 2021 the accounting staff were continuing to recover from significant turnover in this department in the first part of the year. As a result, the bank statements were not reconciled timely. This issue has been corrected during the current fiscal year.



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

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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 responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
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.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe 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).
  - e) Trace the actual deposit per the bank statement to the general ledger.

### Exceptions

No exceptions were identified in the performance of the procedures listed above.

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

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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).
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.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.[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.]
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 whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Exceptions**

No exceptions were identified in the performance of the procedures listed above.

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

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
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 one monthly bank statement), obtain supporting documentation, and:
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception

reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: 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.]

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

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 it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.

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

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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 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)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.



## ***Contracts***

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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 whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe 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).
  - 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 the invoice and related payment agreed to the terms and conditions of the contract.

### Exceptions

No exceptions were identified in the performance of the procedures listed above.

## ***Payroll and Personnel***

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16. Obtain a listing 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 paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
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 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.)
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe any leave accrued or taken during the pay period is reflected in the Entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

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's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to Entity policy.
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 required deadlines.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.

#### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
  - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe whether 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.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.

#### ***Debt Service***

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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 State Bond Commission approval was obtained for each debt instrument issued.
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).

#### Exceptions

The Entity has no debt.



### ***Fraud Notice***

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

#### **Exceptions**

Inquired of management whether the Entity had any misappropriations of public funds or assets and there was none. The Entity does have posted on its premises, the notice required by R.S. 24:523.1.

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

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25. Perform the following procedures, **verbally discuss the results with management, and report "We 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.
  - 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.
  - 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.

#### **Exceptions**

I performed the procedure and discussed the results with management.

### ***Sexual Harassment***

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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.
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).

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;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Exceptions

No exceptions were identified in the performance of the procedures listed above.