

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2021

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO.5
PLAIN DEALING, LOUISIANA
December 31, 2021

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NORTHEAST BOSSIER PARISH FIRE DISTRICT NO.5
PLAIN DEALING, LOUISIANA
December 31, 2021

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INDEPENDENT AUDITOR'S REPORT



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the accompanying financial statements of the governmental activities and major fund of the Northeast Bossier Parish Fire District No. 5 (the District), a component unit of the Caddo Parish Commission, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the schedule of employer's share of net pension liability, and the schedule of pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

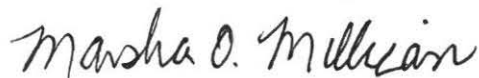
My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 28, 2022 on my consideration of Northeast Bossier Parish Fire District No. 5's internal control over financial reporting and on my tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated June 28, 2022 on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



Certified Public Accountant
June 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion of the Northeast Bossier Parish Fire District No. 5's annual financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District had total net position of \$3,628,667 at year end which represents an increase from the prior year of \$53,545.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Basic Financial Statements

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

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021**

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021**

Fund Financial Statements (continued)

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

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

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

FINANCIAL ANALYSIS OF THE ENTITY

Net Position

Net position may serve over time as a useful indicator of the District's financial position. The District's assets exceeded liabilities by \$3,628,667 as of December 31, 2021.

The District's major assets are its fixed assets of \$2,377,750 representing its investments in capital assets such as land, buildings and improvements, equipment and furniture, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the citizens of the District; consequently, these assets are not available for future spending. Revenues to repay any related debt will be provided through assessments on property located within the District.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021**

Net Position (Continued)

		Statement of Net Position As of Year End	
		Governmental Activities	
		2021	2020
Current and other assets		\$ 1,278,029	\$ 1,323,428
Capital assets, net		2,377,750	2,451,652
Total Assets		<u>\$ 3,655,779</u>	<u>\$ 3,775,080</u>
Deferred outflows of resources		<u>0</u>	<u>0</u>
Other liabilities		\$ 27,112	\$ 23,343
Long-term liabilities		<u>0</u>	<u>176,615</u>
Total Liabilities		<u>27,112</u>	<u>199,958</u>
Deferred inflows of resources		<u>0</u>	<u>0</u>
Net position			
Investment in capital assets, net of related debt		2,377,750	2,275,037
Restricted		342,320	301,039
Unrestricted		<u>908,597</u>	<u>999,046</u>
Total Net Position		<u>3,628,667</u>	<u>3,575,122</u>
Total Liabilities and Net Position		<u>\$ 3,655,779</u>	<u>\$ 3,775,080</u>

Total net position of the District increased by \$53,545 from the previous fiscal year in Governmental Activities.

Changes in Net Position

		Statement of Activities For the Year Ended	
		Governmental Activities	
		2021	2020
Revenues			
Charges for services		\$ 0	\$ 0
Capital grants and contributions		53,773	6,786
Ad Valorem taxes		542,462	581,472
Donations		0	0
Insurance Proceeds		4,925	4,708
Interest		1,569	2,943
Intergovernmental		7,928	7,901
Other revenues		1,578	789
Rental Income		0	0
Donated Capital Assets		<u>0</u>	<u>75,000</u>
Total revenue		<u>612,235</u>	<u>679,599</u>
Expenses			
General government		16,856	18,254
Public safety-fire protection		348,669	309,121
Interest		2,598	7,330
Loss on Capital Asset		0	100,490
Depreciation		<u>190,567</u>	<u>76,809</u>
Total expenses		<u>558,690</u>	<u>512,004</u>
Change in net position		<u>\$ 53,545</u>	<u>\$ 167,595</u>

The District's total revenues decreased by \$67,364 from the previous fiscal year in Governmental Activities.

The total cost of all programs and services increased \$46,686 from the previous fiscal year in Governmental Activities.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2021, totaled \$4,942,296 net of accumulated depreciation of \$2,564,546 leaving a book value of \$2,377,750. This investment in capital assets includes fire stations (land, building and improvements), fire trucks, firefighting and rescue equipment, office equipment and furniture.

Actual costs to purchase capital assets were \$116,663 for the year. Depreciation charges for the year totaled \$190,567.

	Capital Assets at Year End (Net of Depreciation)	
	Governmental Activities	
	2021	2020
Land	\$ 25,700	\$ 25,700
Buildings and other improvements	1,619,411	1,678,674
Equipment	<u>732,639</u>	<u>747,278</u>
Total	\$ <u>2,377,750</u>	\$ <u>2,451,652</u>

The following is the additions and retirements for the District as of December 31, 2021:

This year's major additions included:

	Governmental Activities
Land	\$ 0
Buildings	0
Equipment	<u>116,663</u>
Total	\$ <u>116,663</u>

This year's major retirements included:

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

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021**

Debt Administration

The District did not enter into a capital lease agreement in 2021.

The District reduced its debt by \$176,615. At December 31, 2021, total debt was \$0.

GENERAL FUND BUDGET

The District adopted a budget for its General Fund for the year ended December 31, 2021. There was one amendment to the original budget. The District's budgetary comparison is presented as required supplementary information as shown in the table of contents.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

CONTACTING THE DISTRICT'S MANAGEMENT

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

FINANCIAL STATEMENTS

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 STATEMENT OF NET POSITION
 December 31, 2021

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash	\$ 735,369
Investments	0
Accounts receivable	542,660
Construction in Progress	0
Capital assets, net	<u>2,377,750</u>
Total Assets	<u>3,655,779</u>
Deferred outflows of resources	<u>0</u>
LIABILITIES	
Current Liabilities	
Accounts payable	16,856
Payroll payable	6,975
Retirement payable	3,281
Long-term liabilities	
Due within one year	0
Due in more than one year	<u>0</u>
Total Liabilities	<u>27,112</u>
Deferred inflows of resources	<u>0</u>
NET POSITION	
Net investment in capital assets, net of related debt	2,377,750
Restricted	342,320
Unrestricted	<u>908,597</u>
Total Net Position	<u>\$ 3,628,667</u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Functions/Programs					
Governmental Activities					
General government	\$ 16,856	\$ 0	\$ 0	\$ 0	\$ (16,856)
Public Safety-Fire Protection	348,669	0	0	53,773	(294,896)
Interest	2,598	0	0	0	(2,598)
Loss on Capital Asset	0	0	0	0	0
Depreciation, net	<u>190,567</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(190,567)</u>
Total Governmental Activities	\$ <u>558,690</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>53,773</u>	\$ <u>(504,917)</u>
General Revenues					
Ad Valorem Taxes					542,462
Insurance Proceeds					4,925
Misc Income					0
Interest					1,569
Intergovernmental					7,928
Other Revenues					1,578
Rental Income					0
Donated Capital Assets					<u>0</u>
Total General Revenues					<u>558,462</u>
Change in Net Position					53,545
Net Position, Beginning of year					<u>3,575,122</u>
Net Position, End of year					\$ <u><u>3,628,667</u></u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 December 31, 2021

	General Fund	Capital Projects Fund	Total
Assets			
Cash	\$ 393,049	\$ 342,320	\$ 735,369
Investments	0	0	0
Accounts Receivable	542,660	0	542,660
Total Assets	\$ 935,709	\$ 342,320	\$ 1,278,029
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 16,856	\$ 0	\$ 16,856
Payroll payable	6,975	0	6,975
Retirement payable	3,281	0	3,281
Unearned revenue	11,584	0	11,584
Total Liabilities	38,696	0	38,696
Fund Balances			
Assigned	0	342,320	342,320
Unassigned	897,013	0	897,013
Total Fund Balance	897,013	342,320	1,239,333
Total Liabilities and Fund Balances	\$ 935,709	\$ 342,320	\$ 1,278,029

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 December 31, 2021

Total Fund Balances for Governmental Funds (Exhibit C) \$ 1,239,333

Total Net Position reported for governmental activities in the statement of net position is different because:

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

Land	\$	25,700	
Buildings and other improvements, net of \$272,368 in accumulated depreciation		1,619,411	
Equipment, furniture, and fixtures, net of \$2,292,178 in accumulated depreciation		<u>732,639</u>	
Total Capital Assets			2,377,750

Other long-term assets are not available to pay for current-period expenditures and therefore are unearned in the government funds:

11,584

Total Net Position of Governmental Activities (Exhibit A)

\$ 3,628,667

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	GENERAL FUND	CAPITAL PROJECT FUND	TOTAL
<u>REVENUES</u>			
Ad Valorem Taxes	\$ 564,118	\$ 0	\$ 564,118
Grant Revenue -FEMA	0	0	0
Grant Revenue	0	53,773	53,773
Insurance Proceeds	4,925	0	4,925
Donations	0	0	0
Interest	410	1,159	1,569
Intergovernmental	7,928	0	7,928
Rental Income	0	0	0
Other Revenues	1,578	0	1,578
	<u>578,959</u>	<u>54,932</u>	<u>633,891</u>
<u>EXPENDITURES</u>			
Current:			
General government	16,856	0	16,856
Public Safety	334,460	14,209	348,669
Capital Outlays	0	116,663	116,663
Debt Service:			
Interest	0	2,598	2,598
Principal retirement	0	176,615	176,615
	<u>351,316</u>	<u>310,085</u>	<u>661,401</u>
Excess (deficiency) of revenues over expenditures	227,643	(255,153)	(27,510)
Other financing sources (uses)			
Debt Service Proceeds	0	0	0
Disposition of asset	0	0	0
Misc Income	0	0	0
Transfers In (Out)	(296,434)	296,434	0
	<u>(296,434)</u>	<u>296,434</u>	<u>0</u>
Change in Fund Balances	(68,791)	41,281	(27,510)
Prior Year Adjustment	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>965,804</u>	<u>301,039</u>	<u>1,266,843</u>
FUND BALANCE AT END OF YEAR	<u>\$ 897,013</u>	<u>\$ 342,320</u>	<u>\$ 1,239,333</u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2021

Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$	(27,510)
The change in Net Position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$116,663) exceeds depreciation (\$190,567) in the current period.		(73,904)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net effect of prior year and current year deferred revenues.		(21,658)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current resources of governmental funds. Neither transactions, however, has any effect on net assets. Net result of debt activity.		<u>176,615</u>
Change in Net Position of Governmental Activities (Exhibit B)	\$	<u><u>53,545</u></u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

The Northeast Bossier Parish Fire District No. 5 (“the District”) was created by the Bossier Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, on November 10, 1987 by ordinance number 2096. The District is governed by a five member board of commissioners appointed by the Bossier Parish Police Jury, the Town of Plain Dealing, and by the commissioners themselves. The Board of Commissioners received no compensation during 2021. The District constitutes a political subdivision of the State of Louisiana and is a component unit of the Bossier Parish Police Jury. The purpose of the District is to maintain and operate fire stations and equipment and to provide fire protection and emergency services to the residents of the District.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Reporting Entity

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

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

C. Basic Financial Statements-Government-Wide Statements

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

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

D. Basic Financial Statements-Fund Financial Statements

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

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

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

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

The emphasis in fund financial statements is on the major funds in the governmental category. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District's general fund and capital projects fund were determined to be major funds in 2021.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgeting and Budgetary Control

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

1. A preliminary budget for the ensuing year is prepared by the board of commissioners prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted by the board of commissioners by voting at a meeting.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is established and controlled by the board of commissioners at the object level of expenditure. All changes in the budget must be approved by the board.
5. The budget is adopted on a cash basis. There were amendments to the 2021 budget.

Cash and Cash Equivalents

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

Investments

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

Use of Estimates

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

Compensated Absences

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

Long-term Obligations

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

Receivables

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

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

Unearned Revenue

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Net Position/Fund Balances

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balances (Continued)

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

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

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

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

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

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

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

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

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

NOTE 2 CASH AND CASH EQUIVALENTS

At December 31, 2021, the District had cash and cash equivalents (book balances) totaling \$735,369 as follows:

	<u>Bank Balances</u>	<u>Book Balances</u>
Demand deposits	\$ 749,492	\$ 735,369

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposits insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank that is mutually acceptable to both parties. At December 31, 2021, deposits of \$250,000 were collateralized by FDIC insurance and deposits of \$499,492 were collateralized by securities held by the custodial bank in the name of the District (Category 3).

NOTE 3 INVESTMENTS

At December 31, 2021, the District had no investments in certificates of deposit with initial maturities greater than 90 days. The certificates of deposits are carried at cost, which approximates market. The investments were fully secured from risk by federal deposit insurance.

NOTE 4 AD VALOREM TAXES

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

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

NOTE 5 ACCOUNTS RECEIVABLE

General fund receivables as of December 31, 2021 consisted of ad valorem taxes receivable of \$542,660.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

NOTE 6 CAPITAL ASSETS

A summary of the District's capital assets at December 31, 2021 follows:

	Balance Dec. 31, 2020	Additions	Retirements	Balance Dec. 31, 2020
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 25,700	\$ -	\$ -	\$ 25,700
Total Capital Assets, not being depreciated	<u>25,700</u>	<u>-</u>	<u>-</u>	<u>25,700</u>
Capital Assets, being depreciated				
Buildings and other improvements	1,891,780	-	-	1,891,780
Less accumulated depreciation	<u>(213,103)</u>	<u>(59,263)</u>	<u>-</u>	<u>(272,366)</u>
Total Buildings and Building Improvements	<u>1,678,677</u>	<u>(59,263)</u>	<u>-</u>	<u>1,619,414</u>
Equipment, furniture and fixtures	2,908,153	116,663	-	3,024,816
Less accumulated depreciation	<u>(2,160,878)</u>	<u>(131,302)</u>	<u>-</u>	<u>(2,292,180)</u>
Total Equipment, Furniture and Fixtures	<u>747,275</u>	<u>(14,639)</u>	<u>-</u>	<u>732,636</u>
Total Capital Assets, being depreciated	<u>2,425,952</u>	<u>(73,902)</u>	<u>-</u>	<u>2,352,050</u>
Governmental Activities				
Total Capital Assets, net	<u>\$ 2,451,652</u>	<u>(73,902)</u>	<u>-</u>	<u>\$ 2,377,750</u>

Depreciation expense for the year ended December 31, 2021, was \$190,567. Construction in progress for the year ended December 31, 2021, was \$0

NOTE 7 PENSION PLAN

Firefighter's Retirement System of Louisiana

Plan Description

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

Benefits Provided

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

Retirement Benefits

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

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

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

NOTE 7 PENSION PLAN (continued)

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

Deferred Retirement Option Plan

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

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

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

Initial Benefit Option Plan

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

Contributions

Employer contributions are actuarially determined each year. For the year ended June 30, 2021, employer and employee contributions for members above the poverty line were 32.25% and 10.0%, respectively. The employer and employee contribution rates for those members below the poverty line were 34.25% and 8.0%, respectively.

Non-Employer Contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended June 30, 2021 and were excluded from pension expense. Non-employer contributions received by the System during the year ended June 30, 2021 were \$28,567,787.

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

At December 31, 2021, the District reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

NOTE 7 PENSION PLAN (continued)

relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, the District's proportion was 0%, as it was not part of the system as of June 30, 2021. For the year ended December 31, 2021, the District recognized a pension expense of \$5,063. The District recognized revenue of \$0 as its proportionate share of non-employer contributions for the year ended December 31, 2021.

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ -	\$ -
Change of assumptions	-	-
Net difference between projected and actual investment		
Earnings on pension plan investments	-	-
Change in proportion and differences between the District's contributions and proportionate share of Contributions	-	-
District's contributions subsequent to the measurement Date	-	-
	<u>\$ - 0</u>	<u>\$ - 0</u>

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

Year Ending June 30:

2022	0
2023	0
2024	0
2025	0
2026	0
2027	0

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2021 valuation were based on the assumptions used in the June 30, 2021 actuarial funding valuation, and were based on results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

NOTE 7 PENSION PLAN (continued)

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

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Estimated Remaining Service Life	7 Years, closed period
Inflation Rate	2.500% per annum
Salary Increases	Vary from 14.10% in the first two years of service to 5.2% with 3 or more years of service, includes inflation & merit increases
Cost of Living Adjustments	Only those previously granted were included

The mortality rate assumptions were updated in fiscal year 2021 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables, as compared to the RP-2000 Combined Healthy and Disabled Lives tables that were used for the previous valuation.

The estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation and the G.S. Curran & Company Consultant Average study for 2021. The consultant's average study included projected nominal rates of return, standard deviations of returns and correlations of returns for a list of common asset classes collected from several investment consultants and investment management firms. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2021.

Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income		
US Core Fixed Income	18.00%	.97%
US Tips	3.00%	.40%
Emerging Market Debt	5.00%	2.75%
Equity		
U.S.	27.50%	5.86%
Non-U.S.	11.50%	6.44%

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

NOTE 7 PENSION PLAN (continued)

Global	10.00%	6.40%
Emerging Market Equity	7.00%	8.64%
Alternatives		
Real Estate	6.00%	5.31%
Private Equity	9.00%	9.53%
Real Assets	3.00%	-
Multi-Asset Strategies		
Global Tactical	0.00%	4.17%
Risk Parity	<u>0.00%</u>	4.17%
System Total	100.00%	
Inflation		<u>2.50%</u>

Discount Rate

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

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

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

1%	Current	1%
Decrease	Discount	Increase
<u>(5.90%)</u>	<u>Rate (6.90%)</u>	<u>(7.90%)</u>

District's Proportionate Share of Net Pension Liability (Asset)	\$0	\$0	\$0
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Firefighters' Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2021. Access to the audit report can be found on the Systems' website: www.lafirefighterset.com or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

NOTE 8 RISK MANAGEMENT

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

NOTE 9 LONG-TERM DEBT

Changes in long-term debt are as follows:

	Balance 01/01/21	Proceeds	(Principal) (Payments)	Balance 12/31/21
Limited Tax Certificate of Indebtedness, Series 2017-LPFA	\$ 63,000	\$ -	\$ (63,000)	\$ 0
Limited Tax Certificate of Indebtedness, Series 2017-Citizens National Bank	113,615	-	(113,615)	0
Totals	\$ 176,615	\$ -	\$ (176,615)	\$ 0

Interest costs incurred and charged to expense for the year ended December 31, 2021 was \$2,598.

On April 7, 2017 the District issued \$500,000 of Limited Tax Certificate of Indebtedness, Series 2017 for acquiring, constructing and improving fire protection facilities and equipment. Of the debt acquired \$375,000 of the Certificates were purchased by Citizens National Bank at the interest rate of 3.150% and the remaining \$125,000 of the Certificates were purchased by the Louisiana Public Facilities Authority at the interest rate of 1.575%.

The debt was paid in full as of December 31, 2021.

NOTE 10 SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 28, 2022, the date the financial statements were available to be issued, and determined no additional disclosures are warranted.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
BUDGETARY/GAAP REPORTING RECONCILIATION
DECEMBER 31, 2021

	<u>ACTUAL ON GAAP BASIS</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>ACTUAL ON BUDGETARY BASIS</u>
<u>REVENUES</u>			
Ad Valorem Tax	\$ 564,118	\$ 18,797	\$ 582,915
Grant Revenue	53,773	0	53,773
Insurance Proceeds	4,925	0	4,925
Donations	0	0	0
Interest	1,569	0	1,569
Intergovernmental	7,928	0	7,928
Other Revenues	1,578	0	1,578
Rental Income	0	0	0
	<hr/>	<hr/>	<hr/>
Total revenues	633,891	18,797	652,688
<u>EXPENDITURES</u>			
General Government	16,856	0	16,856
Public Safety	348,669	0	348,669
Interest	2,598	0	2,598
Capital Outlay	116,663	0	116,663
	<hr/>	<hr/>	<hr/>
Total Expenditures	484,786	0	484,786
Excess/ (Deficiency) of Revenues Over Expenditures	149,105	18,797	167,902
Other Financing Sources/(Uses)	<hr/> (176,615)	<hr/> 0	<hr/> 0
Excess/ (Deficiency) of Revenues Over Expenditures Prior Year Adjustment	(27,510)	<hr/> 18,797	<hr/> 167,902
Fund Balance Beginning of Year	<hr/> 1,266,843		
Fund Balance End of Year	\$ <u><u>1,239,333</u></u>		

See accompanying notes to the financial statements.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS- BUDGET AND ACTUAL (CASH BASIS)-GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY) BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Ad Valorem Tax	\$ 598,267	\$ 581,553	\$ 582,915	\$ 1,362
Grant Revenue	0	53,773	53,773	0
Insurance Proceeds	0	4,925	4,925	0
Donations	0	0	0	0
Interest	0	1,256	1,569	313
Intergovernmental	0	7,928	7,928	0
Other Revenues	0	1,578	1,578	0
Rental Income	0	0	0	0
Total revenues	598,267	651,013	652,688	1,675
EXPENDITURES				
General Government	19,000	18,254	16,856	1,398
Public Safety	520,500	476,964	348,669	128,295
Interest	11,000	3,395	2,598	797
Capital Outlay	47,767	152,400	116,663	35,737
Total Expenditures	598,267	651,013	484,786	166,227
Excess/ (Deficiency) of Revenues Over Expenditures	0	0	167,902	167,902
Other Financing Sources/(Uses)	0	0	0	0
Excess/ (Deficiency) of Revenues Over Expenditures	0	0	167,902	167,902
Fund Balance				
Beginning of Year	2,086,020	1,503,407	1,421,082	0
Fund Balance				
End of Year	\$ 2,086,020	\$ 1,503,407	\$ 1,588,984	\$ 167,902

See accompanying notes to the financial statements.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5

Schedule of Employer's Share of Net Pension Liability

Year Ended December 31, 2021

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

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

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5

Schedule of Employer Contributions

Year Ended December 31, 2021

Year Ended June 30	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2021	\$ 5,063	\$ 5,063	\$ 0	\$ 15,000	33.75%

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

OTHER SUPPLEMENTARY INFORMATION

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO AGENCY HEAD
 FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Purpose</u>	Fire Chief, Jason F. Vaughan Jan. 1-Dec. 31
Salary	\$ 24,445
Payroll taxes	898
Benefits-insurance	2,457
Benefits-retirement	5,063
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Special meals	0
	<hr/>
Total Compensation, Benefits and Other Payments	\$ <u><u>32,863</u></u>

See accompanying notes to the financial statements.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

Board of Commissioners
Northeast Bossier Parish Fire District No. 5
Grand Cane, 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 Northeast Bossier Parish Fire District No. 5 as of and for the year ended December 31, 2021, and related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated June 28, 2022.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Northeast Bossier Parish Fire District No. 5's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northeast Bosier Parish Fire District No. 5's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Marsha O. Mullican".

Certified Public Accountant
June 28, 2022

NORTHEAST BOSSIER FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS

YEAR ENDED DECEMBER 31, 2021

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

NORTHEAST BOSSIER FIRE DISTRICT NO. 5

SCHEDULE OF FINDINGS

YEAR ENDED DECEMBER 31, 2021

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

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



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

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

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPS) for the fiscal period January 1, 2021 through December 31, 2021. Management of Northeast Bossier Parish Fire District No. 5 (the District) is responsible for those C/C areas identified in the SAUPS.

The Board of Commissioners of the District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPS for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - 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 reimbursements**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibition as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- 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 a network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The entity has no written policies and procedures addressing the above topics.

Management's Response: Subsequent to December 31, 2021 year end, we have adopted policies and procedures addressing all of the above topics.

Board or Finance Committee

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

No exceptions were noted as a result of this procedure.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to the public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions were noted as a result of this procedure.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions were noted as a result of this procedure.

Bank Reconciliations

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

Collections (excluding electronic funds transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites, obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions were noted as a result of this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

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

No exceptions were noted as a result of this procedure.

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

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

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

No exceptions were noted as a result of this procedure.

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

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

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

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

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

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioners should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were noted as a result of this procedure.

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

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

For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

Contracts

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

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment was approval documented).

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

Payroll and Personnel

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

This procedure was performed and no exceptions were noted.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). [Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or official's personnel files, and agree the termination payment to entity policy.

No exceptions were noted as a result of this procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed by the required deadlines.

No exceptions were noted as a result of this procedure.

Ethics

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

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

Debt Service

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

No exceptions were noted as a result of this procedure.

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

balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions were noted as a result of this procedure.

Fraud Notice

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

No exceptions were noted as a result of this procedure.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were noted as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report, "I performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

I performed the procedures and discussed the results with management.

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

I performed the procedures and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

I performed the procedures and discussed the results with management.

Sexual Harassment

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

Employees/officers did not complete sexual harassment training.

Management's Response: Employees/officers will complete sexual harassment training in the future.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions were noted as a result of this procedure.

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

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

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

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

A handwritten signature in black ink that reads "Marsha D. Mullein". The signature is written in a cursive style with a small dot above the 'i' in "Mullein".

Certified Public Accountant
June 28, 2022