

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT**

**CALCASIEU PARISH WARD 7 FIRE  
PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**December 31, 2022**

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Calcasieu Parish Ward 7 Fire  
Protection District No. 1  
Calcasieu Parish Police Jury  
Vinton, Louisiana

### Opinions

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2022 and related notes to the financial statements, which collectively comprise of the Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

**Board of Commissioners  
Calcasieu Parish Ward 7 Fire Protection District No. 1**

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 Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, 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.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, we:

- 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 Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

**Required Supplementary Information**

The Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Board of Commissioners  
Calcasieu Parish Ward 7 Fire Protection District No. 1**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information 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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and are 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 our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2023, on our consideration of the Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, and Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Jayly, Walker & Co., LLP*

Lake Charles, Louisiana  
June 3, 2023

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
December 31, 2022**

**ASSETS**

Cash and cash equivalents	\$ 3,878,064
Ad valorem tax receivable, net of allowance for doubtful accounts \$19,129	772,022
Accrued interest receivable	432
Prepaid insurance	7,181
Land and other capital assets not being depreciated	3,931
Capital assets, net of accumulated depreciation	1,613,495
Restricted cash	51,846
	<u>6,326,971</u>
<b>Total assets</b>	<b>\$ 6,326,971</b>

**LIABILITIES**

Accounts payable	\$ 18,238
Payroll taxes payable	727
Ad valorem pension payable	25,009
Accrued interest	5,807
Long-term liabilities:	
Bond payable--	
Portion due within one year	50,000
Portion due after one year	1,035,000
Total liabilities	<u>1,134,781</u>

**NET POSITION**

Investment in capital assets	532,426
Restricted	151,749
Unrestricted	4,508,015
Total net position	<u>5,192,190</u>
<b>Total liabilities and net position</b>	<b>\$ 6,326,971</b>

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
For the Year Ended December 31, 2022**

Function/Programs	Expenses	Program Revenues			Governmental Activities - Net (Expenses) Revenues and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants, and Contributions	
Governmental activities:					
General government	\$ 612,221	\$ -	\$ -	\$ -	\$ (612,221)
Interest on bonds payable	33,171	-	-	-	(33,171)
Total Government Activities	\$ 645,392	\$ -	\$ -	\$ -	(645,392)
General revenues:					
					777,311
Ad valorem taxes					6,942
State revenue sharing					21,636
Fire tax rebate					16,997
Interest					32,611
Intergovernmental					125,321
Insurance proceeds					6
Miscellaneous					6
					980,824
					335,432
					4,856,758
					\$ 5,192,190

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**GOVERNMENTAL FUND  
BALANCE SHEET  
December 31, 2022**

	General Fund	Debt Service Fund	Total Governmental Funds
<u><b>ASSETS</b></u>			
Cash and cash equivalents	\$ 3,878,064	\$ -	\$ 3,878,064
Ad valorem tax receivable, net of allowance for doubtful accounts \$19,129	668,715	103,307	772,022
Accrued interest receivable	432	-	432
Prepaid insurance	7,181	-	7,181
Restricted cash	-	51,846	51,846
	<u>\$ 4,554,392</u>	<u>\$ 155,153</u>	<u>\$ 4,709,545</u>
 <u><b>LIABILITIES AND FUND BALANCES</b></u>			
<b>Liabilities:</b>			
Accounts payable	\$ 18,238	\$ -	\$ 18,238
Payroll taxes payable	727	-	727
Ad valorem pension payable	21,605	3,404	25,009
Total liabilities	<u>40,570</u>	<u>3,404</u>	<u>43,974</u>
 <b>Fund balance:</b>			
<b>Restricted:</b>			
Debt service	-	140,795	140,795
Other capital projects	-	10,954	10,954
Committed	602,630	-	602,630
Unassigned	3,911,192	-	3,911,192
	<u>4,513,822</u>	<u>151,749</u>	<u>4,665,571</u>
Total liabilities and fund balance	<u>\$ 4,554,392</u>	<u>\$ 155,153</u>	<u>\$ 4,709,545</u>

The accompanying notes are an integral part of this statement.



**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**RECONCILIATION OF FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION  
December 31, 2022**

FUND BALANCE OF GOVERNMENTAL FUNDS		\$ 4,665,571
<p>Amounts reported for governmental activities in the Statement of Net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, not reported in the funds.</p>		
Land	\$ 3,931	
Cost of capital assets	4,939,539	
Less - accumulated depreciation	<u>(3,326,044)</u>	1,617,426
Accrued interest		(5,807)
Long-term liabilities at December 31, 2022		
Bonds payable		<u>(1,085,000)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 5,192,190</u></u>

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Revenue:</b>			
Ad valorem taxes	\$ 671,527	\$ 105,784	\$ 777,311
State revenue sharing	6,942	-	6,942
Fire tax rebate	21,636	-	21,636
Intergovernmental	32,611	-	32,611
Interest	15,615	1,383	16,998
Insurance proceeds	125,321	-	125,321
Miscellaneous	6	-	6
Total revenues	873,658	107,167	980,825
<b>Expenditures:</b>			
Current:			
General government	412,528	4,503	417,031
Capital outlay	43,706	-	43,706
Debt service:			
Principal retirement	-	50,000	50,000
Interest	-	33,590	33,590
Total expenditures	456,234	88,093	544,327
Excess of revenues over expenditures	417,424	19,074	436,498
<b>Other financing sources (uses):</b>			
Transfer in	22,797	-	22,797
Transfer out	-	(22,797)	(22,797)
Total other financing sources (uses)	22,797	(22,797)	-
Net change in fund balances	440,221	(3,723)	436,498
Fund balance at beginning of year	4,073,601	155,472	4,229,073
Fund balance at end of year	\$ 4,513,822	\$ 151,749	\$ 4,665,571

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2022**

Total net change in fund balance - governmental funds		\$ 436,498
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.		
Capital outlays	\$ 43,706	
Depreciation expense	<u>(195,190)</u>	(151,484)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
		418
Repayment of bond principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position		
		<u>50,000</u>
Change in net position of governmental activities		<u><u>\$ 335,432</u></u>

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2022**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Calcasieu Parish Ward 7 Fire Protection District No. 1 (“District”) conform to generally accepted accounting principles (“GAAP”) as applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for establishing governmental accounting and financial reporting principles.

**Reporting Entity**

The District was created under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the people of Ward 7 of Calcasieu Parish. The district is governed by a board of five commissioners appointed by the Calcasieu Parish Police Jury.

As the governing authority of the parish, for reporting purposes, the Calcasieu Parish Police Jury is the financial reporting entity for Calcasieu Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship, the District was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity.

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 government unit, or the other governmental units that comprise the financial reporting entity.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2022**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**Fund Accounting**

The financial transactions of the District are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, outflows of resources, liabilities, inflows of resources, fund balances, revenues and expenditures. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds are classified into one broad category: governmental as described below.

*Governmental Fund Types:*

Governmental funds are used to account for all or most general activities. These funds focus on the sources, uses, and balances of the current financial resources. Expendable assets are assigned to various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The following are the District's primary governmental fund types:

*General Fund* - The general fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

*Debt Service Funds* - Debt service funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

**Basis of Presentation**

The District's basic financial statements consist of the government-wide statements on all of the non-fiduciary fund activities and fund financial statements (individual major funds). The statements are prepared in accordance with GAAP as applied to governmental units and promulgated by the GASB *Codification of Accounting and Financial Reporting Standards*.

**Basis of Accounting/Measurement Focus**

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the District.

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Assets, liabilities, revenues, expenses, gains and losses resulting from exchange or exchange-like transactions are recognized when the exchange occurs, regardless of when cash is received or disbursed. Assets, liabilities, revenues, expenses, gains and losses resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Codification Section N50, *Non-exchange Transactions*.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2022**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**Basis of Accounting/Measurement Focus – (Continued)**

The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable by function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation and amortization expense which can be specifically identified by function is included in the direct expenses of each function. Interest on long term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Fund Financial Statements**

***Governmental Funds:***

The accounting and financial reporting treatments applied to a fund are determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With the current financial resources measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become measurable and available to pay current period liabilities. Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis, become due on November 15 of each year, and become delinquent by December 31. The taxes are normally collected in December, January, and February of the fiscal year. Intergovernmental revenues and fees, charges, and commissions for services are recorded when the District is entitled to the funds. Interest income on deposits is recorded when interest is earned. Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The District's primary expenditures include salaries, supplies and insurance, which are recorded when the liability is incurred. Capital expenditures and purchase of various operating supplies are regarded as expenditures at the time purchased. General long-term obligation principal and interest payments are recognized only when due.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfers are authorized by the District.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2022**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**Basis of Accounting/Measurement Focus – (Continued)**

Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when insurance monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

The General Fund is the District’s operating fund. It accounts for all financial resources of the District.

The Debt Service Fund is used to account for and report the payment of, debt principal, interest and related cost.

**Cash and Cash Equivalents**

Under state law, the District may deposit funds with a fiscal agent organized under the laws of the state of Louisiana, the laws of any other state in the union, or the laws of the United States of America. The District may invest in United States bonds, notes, bills, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash and cash equivalents include cash on hand, cash on deposit, certificates of deposit and money market accounts. These deposits are stated at cost, which approximates fair value. Under state law, the resulting bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The estimated fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

**Ad Valorem Tax Receivable**

Receivables consist of all revenues earned at year-end and not yet received. Receivables are reported net of allowance for uncollectible accounts and revenues net of uncollectibles. Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. The allowance for uncollectible accounts at December 31, 2022, was \$19,129.

**Capital Assets**

Capital assets are capitalized at historical cost or estimated historical cost for assets where the actual historical cost is not available. The District’s management accounting policy determines the threshold level of the amount of assets to capitalize to be \$1,500.

Capital assets are recorded in the government-wide financial statements and are not recorded in the fund financial statements. All capital assets are depreciated or amortized using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the District, no salvage value is taken into consideration for depreciation purposes.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2022**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**Capital Assets – (Continued)**

Useful lives are approximately 10 to 50 years for buildings, 10 to 39 years for improvements, 5 to 20 years for equipment and 5 to 12 years for furniture and fixtures.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**Restricted Cash**

Certain debt proceeds of the District, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants and they are maintained in separate bank accounts.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bond issuance costs are expensed in the period in which they occurred. Bonds payable are reported net of the applicable bond premium or discount.

**Net Position of Government-wide Financial Statements**

For the government-wide Statement of Net Position, net position is classified and displayed in three components focused on the accessibility of the underlying assets:

- *Net investment in capital assets*, calculated as capital assets net of accumulated depreciation less capital-related borrowings;
- *Restricted*, either externally imposed by creditors such as debt covenants, grantors, contributors, laws, or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation or
- *Unrestricted*, all other assets that do not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.



**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2022**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**Fund Equity of Fund Financial Statements**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

- *Nonspendable*, represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.
- *Restricted*, represents balances where constraints have been established by parties outside the District or imposed by law through constitutional provisions or enabling legislation.
- *Committed*, represents balances that can only be used for specific purposes pursuant to constraints imposed by the adoption of a resolution by the District, which is the District's highest level of decision-making authority.
- *Assigned*, represents balances that are constrained by the District's intent to be used for specific purposes but are not restricted or committed.
- *Unassigned*, represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District board has provided otherwise in its commitment or assignment actions.

**Budget Practices**

1. The proposed budget is prepared and submitted to the Advisory Board for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. The proposed budget is made available for public inspection.
3. The budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
4. All budgetary appropriations lapse at the end of each fiscal year.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2022**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**Budget Practices – (Continued)**

5. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board.

**Estimates**

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

**Recently Adopted Accounting Pronouncements**

The District adopted GASB Statement No. 87, *Leases*. Under this Statement, lease contracts, as defined, are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, and a lessee recognizes a lease liability and intangible right-to-use asset, thereby enhancing the relevance and consistency of information about governments' leasing activities. Lease receivables as well as lease liabilities are measured at the present value of lease payments over the term of each respective contract. Options to renew the lease are included in the lease term if reasonably certain to be exercised.

The implementation of GASB 87 had no effect on the District's financial statements, as the District did not have any leases in 2022.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2022, the District has cash and cash equivalents (book balances) totaling \$3,929,910.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit 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 in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2022, the District has \$3,929,231 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$4,454,493 of pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2022**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – AD VALOREM TAXES**

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish Assessor except for public utility property, which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution (Article 7, Section 18) provides that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, be assessed at 15%; and public service properties, excluding land, be assessed at 25% of fair market value. Fair market value is determined by the elected Assessor of the parish on all property subject to taxation except public service properties, which is valued by the Louisiana Tax Commission (LSA R.S. 47:1957). The correctness of assessments by the Assessor is subject to review and certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

For the year ended December 31, 2022, taxes of 11.61 mills were levied on property with assessed valuations totaling approximately \$67,323,535. Total taxes levied for the year ended December 31, 2022 were \$781,627.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date	Tax Amount
Maintenance	10.03	10.03	2027	\$ 106,371
Sinking	1.60	1.58	2038	675,256
	11.63	11.61		\$ 781,627

During the year, the tax assessor made adjustments to decrease previous year taxpayer valuations of \$3,181 worth of taxes. This amount was net against current year ad valorem taxes along with \$1,140 worth of prior year tax refunds. The District also made a \$732 increase adjustment to their allowance for uncollectible taxes that management deemed necessary.

The Sheriff of Calcasieu parish, as provided by state law, is the official tax collector of general property taxes levied by the District.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2022**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – CAPITAL ASSETS**

Capital assets and depreciation activity, all of which is associated with governmental activities, as of and for the year ended December 31, 2022 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,931	\$ -	\$ -	\$ 3,931
Total capital assets not being depreciated	<u>\$ 3,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,931</u>
Capital assets being depreciated:				
Building	\$ 530,194	\$ -	\$ -	\$ 530,194
Building improvements	151,187	-	-	151,187
Furniture & fixtures	10,745	-	(2,314)	8,431
Equipment	4,206,021	43,706	-	4,249,727
Total capital assets being depreciated	4,898,147	43,706	(2,314)	4,939,539
Less accumulated depreciation				
Building	(338,595)	(10,341)	-	(348,936)
Building improvements	(111,355)	(3,779)	-	(115,134)
Furniture & fixtures	(10,733)	(11)	2,314	(8,430)
Equipment	(2,672,485)	(181,059)	-	(2,853,544)
Total accumulated depreciation	<u>(3,133,168)</u>	<u>(195,190)</u>	<u>2,314</u>	<u>(3,326,044)</u>
Total capital assets being depreciated, net	<u>\$ 1,764,979</u>	<u>\$ (151,484)</u>	<u>\$ -</u>	<u>\$ 1,613,495</u>

Depreciation expense for the year ended December 31, 2022, was charged to governmental activity in the amount of \$195,190.

Net investment in capital assets is calculated as follows:

Capital assets, net of accumulated depreciation	\$ 1,617,426
Capital - related borrowings	<u>(1,085,000)</u>
	<u>\$ 532,426</u>

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2022**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – RESTRICTED CASH**

The District maintains a sinking fund reserve bank account with a balance of \$51,846 as of December 31, 2022 which is controlled by Merchant and Farmers Bank. See note 6 for more details.

**NOTE 6 – BOND PAYABLE**

The District incurred debt and issued bonds in the amount of \$1,220,000 for a period not to exceed twenty (20) years from the date thereof, with interest at a rate not exceeding six (3.4%) percent per annum, for the purpose of purchasing and installing fire hydrants and water lines to be used in giving fire protection to the property within the District, title to which shall be in the public, which said bonds shall be retired with, paid from and secured by ad valorem taxes on all taxable property within the limits of Ward Seven Fire Protection District No. One of Calcasieu Parish, Louisiana, sufficient in rate and amount to pay said bonds in principal and interest, with the millage rate to be 1.5 mills in the first year of issue. The following is a recap of the bond payable:

**A. Debt Outstanding**

The following is a summary of the debt transactions of the District for the year ended December 31, 2022:

Bond payable, December 31, 2021	\$	1,135,000
Bond repaid		(50,000)
Bond issued		-
Bond payable, December 31, 2022	<u>\$</u>	<u>1,085,000</u>

Debt payable at December 31, 2022 is comprised of the following:

\$1,220,000 general obligation bond dated April 18, 2019, due in annual installments of \$35,000 - \$80,000 through March 1, 2039, interest at 3.0% - 3.4%		<u>\$ 1,085,000</u>
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**B. Debt Service Requirement to Maturity**

The annual requirements, including interest, to amortize the bonds outstanding as of December 31, 2022 are as follows:

	Principal	Interest
Year Ending December 31,		
2023	\$ 50,000	\$ 32,090
2024	\$ 55,000	\$ 30,715
2025	\$ 55,000	\$ 29,403
2026	\$ 55,000	\$ 28,028
2027	\$ 55,000	\$ 26,653
Thereafter	\$ 815,000	\$ 247,640

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2022**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – BOND PAYABLE – (Continued)**

**C. Sinking Fund Requirement**

The initial bond proceeds were deposited into a sinking fund, all disbursements for the purchase of fire hydrants and water lines are to come out of this account. The balance in the sinking fund pertaining to the bond proceeds at December 31, 2022 was \$-0-.

The Bond also requires the District to keep any interest earned and make ad valorem tax deposits into this sinking fund. Ad valorem taxes will be levied on property of the District at 1.6 mills. These taxes and interest will be used for the principal and interest payments on the bond payable described above. The balance of the sinking fund at December 31, 2022 for bond repayment is \$51,846.

**NOTE 7 – COMMITMENT**

As of December 31, 2022, the District has a commitment of \$602,630 to purchase a new tanker truck.

**NOTE 8 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 9 – PER DIEM PAID BOARD MEMBERS**

The schedule of per diem paid to commissioners was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

As provided by Louisiana Revised Statute 40:1498, each commissioner received \$100 per diem for attending regular monthly meetings and special meetings. A summary of paid per diems for the year ended December 31, 2022 is as follows:

Stephen A. Smith	\$	1,000
Jerry C. Nichols		1,100
Kent Ledoux		1,100
John McClelland		1,200
Justin Carrier		1,000
	<u>\$</u>	<u>5,400</u>

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2022**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The following individual funds had actual expenditures over budgeted appropriations for the year ended December 31, 2022:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Debt Service Fund	<u>\$ 83,590</u>	<u>\$ 83,590</u>	<u>\$ 88,093</u>	<u>\$ 4,503</u>

**NOTE 11 – CASUALTY GAIN**

The District was impacted by Hurricanes Laura and Delta when they made landfall in August and October 2020, respectively. As a result, the District sustained damages to their property and equipment. Included in the financial statements for the year ended December 31, 2022 are \$115,280 of general government expenses incurred and \$125,321 in insurance proceeds received. All repairs due to these hurricanes are believed to be completed as of December 31, 2022.

***REQUIRED SUPPLEMENTAL INFORMATION***



**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND  
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL - GENERAL FUND  
Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenue:</b>				
Ad valorem taxes	\$ 540,000	\$ 612,500	\$ 671,527	\$ 59,027
State revenue sharing	6,900	6,942	6,942	-
Fire tax rebate	11,600	21,636	21,636	-
Intergovernmental	-	32,611	32,611	-
Interest	3,500	10,420	15,615	5,195
Insurance proceeds	-	-	125,321	125,321
Miscellaneous	2,000	1,752	6	(1,746)
Total revenues	<u>564,000</u>	<u>685,861</u>	<u>873,658</u>	<u>187,797</u>
<b>Expenditures:</b>				
Governmental				
General government	293,300	342,840	412,528	(69,688)
Capital outlay	270,700	343,021	43,706	299,315
Total expenditures	<u>564,000</u>	<u>685,861</u>	<u>456,234</u>	<u>229,627</u>
Excess of revenues over expenditures	-	-	417,424	(41,830)
<b>Other financing sources (uses):</b>				
Operating transfer in	-	-	22,797	22,797
Operating transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>22,797</u>	<u>22,797</u>
Net change in fund balance	-	-	440,221	440,221
Fund balance at beginning of year	<u>3,570,852</u>	<u>4,073,601</u>	<u>4,073,601</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,570,852</u>	<u>\$ 4,073,601</u>	<u>\$ 4,513,822</u>	<u>\$ (41,830)</u>

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**SCHEDULE OF GENERAL GOVERNMENT EXPENDITURES - BUDGET  
AND ACTUAL (GAAP BUDGETARY BASIS) - GENERAL FUND  
Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Accounting	\$ 8,000	\$ 8,500	8,500	\$ -
Bad debt	1,000	1,000	633	367
Bank charges	-	-	1	(1)
Bond issuance cost	-	-		
Deductions from ad valorem taxes - retirement	14,000	18,000	21,605	(3,605)
Disaster relief expense	-	-	115,280	(115,280)
Election expense	-	-		-
Firemen's fee	30,000	26,500	28,254	(1,754)
Fuel	10,000	12,800	12,386	414
Insurance	66,000	73,000	73,999	(999)
Maintenance and repairs	30,000	31,200	30,960	240
Office	7,000	5,800	7,423	(1,623)
Service	16,000	23,300	29,170	(5,870)
Payroll taxes	2,440	2,440	2,334	106
Per diem paid commissioners	5,600	5,500	5,400	100
Salaries	31,800	31,800	31,800	-
Supplies - operating	55,660	85,000	23,707	61,293
Utilities and telephone	15,800	18,000	21,076	(3,076)
<b>Total general governmental expenditures</b>	<b>\$ 293,300</b>	<b>\$ 342,840</b>	<b>\$ 412,528</b>	<b>\$ (69,688)</b>

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND  
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL - DEBT SERVICE FUND  
Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenue:</b>				
Ad valorem taxes	\$ 85,000	\$ 96,200	\$ 105,784	\$ 9,584
Interest	3,000	1,056	1,383	327
Total revenues	<u>88,000</u>	<u>97,256</u>	<u>107,167</u>	<u>9,911</u>
<b>Expenditures:</b>				
Governmental				
General government	-	-	4,503	(4,503)
Debt service:				
Principal retirement	83,590	83,590	50,000	33,590
Interest	-	-	33,590	(33,590)
Total expenditures	<u>83,590</u>	<u>83,590</u>	<u>88,093</u>	<u>(4,503)</u>
Excess expenses over revenues	4,410	13,666	19,074	14,414
<b>Other financing sources (uses):</b>				
Operating transfer in	-	-	-	-
Operating transfer out	-	-	(22,797)	(22,797)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(22,797)</u>	<u>(22,797)</u>
Net change in fund balance	4,410	13,666	(3,723)	(17,389)
Fund balance at beginning of year	<u>517,164</u>	<u>155,472</u>	<u>155,472</u>	<u>-</u>
Fund balance at end of year	<u>\$ 521,574</u>	<u>\$ 169,138</u>	<u>\$ 151,749</u>	<u>\$ 14,414</u>

The accompanying notes are an integral part of this statement.

***SUPPLEMENTAL INFORMATION***

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD  
For the Year Ended December 31, 2022**

Agency Head Name: Kent Ledoux

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 0
Benefits	0
Per Diem	1,100
Travel	0
Other	0
	<u>\$ 1,100</u>



Langley, Williams  
& Company, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
PHILLIP D. ABSHIRE, JR.  
DAPHNE BORDELON BERKEN

NICHOLAS J. LANGLEY  
PHILLIP D. ABSHIRE, III  
SARAH CLARK WERNER  
ALEXIS H. O'NEAL  
JESSICA LOTT-HANSEN

**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  
Calcasieu Parish Ward 7 Fire  
Protection District No. 1  
Calcasieu Parish Police Jury  
Vinton, Louisiana

We 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 Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise of the Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, basic financial statements and have issued our report thereon dated June 3, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, internal control. Accordingly, we do not express an opinion on the effectiveness of the Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 22-01(IC) that we consider to be significant deficiencies.

**Board of Commissioners  
Calcasieu Parish Ward 7 Fire Protection District No. 1**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying schedule of findings and questioned cost as item 22-01 (C).

**Calcasieu Parish Ward 7 Fire Protection District No. 1 Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Calcasieu Parish Ward 7 Fire Protection District No. 1's, a component unit of the Calcasieu Parish Police Jury, response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

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

*Jayly Wilkerson Co., LLP*

Lake Charles, Louisiana  
June 3, 2023

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**SUMMARY SCHEDULE OF CURRENT AND PRIOR AUDIT  
FINDINGS AND CORRECTIVE ACTION PLAN**

**SECTION 1 – SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- |    |  |     |
|----|--|-----|
| a. | Material weakness identified?  | NO  |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | YES |

Noncompliance material to financial statements noted? NO

**Federal Awards**

Not applicable



**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**Current Year Findings with Corrective Action Plan  
For the Year Ended December 31, 2022**

A. Internal Control:

22-01 (IC) – Segregation of Duties

**Criteria:** Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

**Condition:** Accounting and financial functions are not adequately segregated.

**Cause:** Limited number of employees due to the small size of the District.

**Effect:** Errors or irregularities may not be detected within a timely period.

**Recommendation:** To continue to present all transactions to the board of commissioners at their monthly regular schedule meeting for their review and approval.

**Management's Response and Corrective Action Plan:** It is not feasible to correct this deficiency based on the size of the District. The Board of Directors reviews and approves all checks before distribution and reviews all bank statements for unusual items on a monthly basis.

B. Compliance:

22-01 (C) – Budget Preparation

**Criteria:** The District must comply with certain provisions of the Local Government Budget Act set forth in state law, LSA R.S. 39:1301-1314. The Act contains various budget requirements for the General Fund and any major funds regarding public notification and disclosure, and requires budget to be amended when:

- 1) Total revenues, or other sources plus projected revenue and other sources for the remainder of the year are failing to meet total budgeted revenues and other sources by five percent or more.
- 2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year are failing to meet total budgeted expenditures and other uses by five percent or more.
- 3) Actual beginning fund balance within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

**Condition:** Actual expenditures and other uses exceeded budget expenditures by 5%.

**Cause:** The District did not budget for pension deduction and transfer outs in the Debt Service Fund.

**Effect:** Noncompliance with the Louisiana Local Government Budget Act.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**SUMMARY OF SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT FINDINGS  
AND CORRECTIVE ACTION PLAN – (Continued)**

B. Compliance: - (Continued)

22-01 (C) – Budget Preparation – (Continued)

***Recommendation:*** We recommend the District review the Louisiana Budget Act annually for any changes. That they monitor all planned revenues, spending and transfers and seek guidance from legal council or auditor if necessary.

***Management's Response and Corrective Action Plan:*** Management agrees with auditors' recommendation. All board members were given a copy of the Louisiana Budget Act for review. They will monitor all planned revenues, expenses and transfers carefully and make sure that they are in compliance with the Budget Act.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1  
CALCASIEU PARISH POLICE JURY**

**Schedule of Prior Year Findings  
For the Year Ended December 31, 2022**

A. Internal Control:

21-01 (IC) – Segregation of Duties

**Criteria:** Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

**Condition:** Accounting and financial functions are not adequately segregated.

**Current Status:** See schedule of findings, item 2022-01 (IC)

B. Compliance:

21-01 (C) – Budget Preparation

**Criteria:** The District is required to follow the Louisiana Budget Act.

**Condition:** For the year ended December 31, 2021, the District did not adequately budget for transfers between funds causing transfers to exceed budgeted transfers by more than 5%. State law requires that actual transfers to fall within 5% of budget.

**Current Status:** For the year ended December 31, 2021, the District did not adequately budget for transfers between funds causing transfers to exceed budgeted transfers by more than 5%. State law requires that actual transfers to fall within 5% of budget.

**Current Status:** See schedule of findings, item 2022-01 (C)

21-02 (C) – Budget Preparation

**Criteria:** The District is required to follow the Louisiana Budget Act.

**Condition:** For the year ended December 31, 2021, the District had a governmental fund that qualified as a major fund and had actual expenditures that exceeded budgeted expenditures by more than 5%. State law requires that actual expenditures fall within 5% of budget.

**Current Status:** See schedule of findings, item 2022-01 (C)



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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Calcasieu Parish Ward 7 Fire Protection District No. 1  
Vinton, Louisiana

To the Governing Board of the Calcasieu Parish Ward 7 Fire Protection District No. 1 and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Calcasieu Parish Ward 7 Fire Protection District No. 1's management is responsible for those C/C areas identified in the SAUPs.

The Calcasieu Parish Ward 7 Fire Protection District No. 1 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 LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. 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:

**1) Written Policies and Procedures**

---

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

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

**There were no exceptions noted as a result of applying this procedure.**

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

**Exception: Per our inspection of the purchasing policy and procedure, the District did have a written policy and procedure; however they were missing items (4) and (5) above.**

**Management's response: Management is in the process of updating their policies and procedures to address the above exceptions.**

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

**There were no exceptions noted as a result of applying this procedure.**

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

**Exception: Per our inspection of the receipt/collection policy and procedure, the District did have a written policy and procedure; however they were missing management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.**

**Management's response: Management is in the process of updating their policies and procedures to address the above exception.**

- v) *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

**There were no exceptions noted as a result of applying this procedure.**

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

**Exception: Per our inspection of the contracting policy and procedure, the District did have a written policy and procedure; however they were missing item (3) above.**

**Management's response: Management is in the process of updating their policies and procedures to address the above exception.**

- vii) *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).

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

- ix) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

**There were no exceptions noted as a result of applying this procedure.**

- x) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/Electronic Municipal Market Access ("EMMA") reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**There were no exceptions noted as a result of applying this procedure.**

- x) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**No information technology is used, making this procedure not applicable.**

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

**Exception: Per our inspection of the sexual harassment policy and procedure, the District did have a written policy and procedure; however they were missing items (2) and (3) above.**

**Management's response: Management is in the process of updating their policies and procedures to address the above exceptions.**

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

---

- A. 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:

- i) 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.

**The board met on a monthly basis for the fiscal period with a quorum in attendance at all meetings.**

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

**Exception: The minutes obtained from management do not reference or include monthly budget-to-actual comparisons on the General Fund.**

**Management's response: Management acknowledges that the minutes do not state that they go over monthly financials, but have stated that they indeed go over the financials monthly. Going forward, they will make sure that this is stated in the minutes.**

- iii) 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.

**Per the prior year audit report, the unrestricted fund balance in the general fund did not have a negative ending balance; therefore, making this procedure not applicable.**

- iv) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**There were no exceptions noted as a result of applying this procedure.**

### ***3) Bank Reconciliations***

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- A. 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:

**We obtained a list of bank accounts from management and management's representation that the list was complete.**

- i) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

**There were no exceptions noted as a result of applying this procedure.**

- ii) 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

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

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

---

- A. 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).

**We obtained a listing of all deposit sites for the fiscal period and management's representation that the listing is complete.**

- B. 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:

- i) Employees responsible for cash collections do not share cash drawers/registers.

**There were no exceptions noted as a result of applying this procedure.**

- ii) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- iii) Each employee responsible for collecting cash is not 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.
- iv) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Exception B, C & D: The person responsible for collecting cash is responsible for preparing/making bank deposits, posting collection entries to the general ledger and reconciling cash collections to the general ledger.**

**Management's response: Management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible and the board reviews all financial documents at their monthly board meetings.**

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

**There were no exceptions noted as a result of applying this procedure.**

- D. 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:

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

**The entity only receives money from ad valorem taxes and other periodic payments; therefore, they will not have a system in place to issue sequentially pre-numbered receipts thus making this procedure not applicable.**

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

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

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



**There were no exceptions noted as a result of this procedure.**

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

---

- A. 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).

**Per discussion with management, we noted only one location processes payments for the fiscal period.**

- B. 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:

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

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

- iv) 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.

**Exception: The employee responsible for processing payments is responsible for mailing the payments.**

**Management's response: Management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible and the board reviews all financial documents at their monthly board meetings.**

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

**There were no exceptions noted as a result of applying this procedure.**

- C. 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:

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

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

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

---

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

**We obtained a listing of active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and management's representation that the listing is complete.**

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

- i) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: 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.]

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**There were no exceptions noted as a result of applying this procedure.**

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

---

- A. 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:

- i) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- ii) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- iii) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- iv) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**There were no travel expenses incurred by the entity during the fiscal period making this procedure not applicable.**

## **8) Contracts**

---

A. 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:

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

**None of the selected contracts were subject to bid law; therefore, this procedure is not applicable.**

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

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no amendments during the fiscal period; therefore, this procedure is not applicable.**

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

**There were no exceptions noted as a result of applying this procedure.**

## **9) Payroll and Personnel**

---

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related

paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**We obtained a listing of all employees during the fiscal period and management's representation that the listing is complete.**

B. 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:

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

**There were no exceptions noted as a result of applying this procedure.**

ii) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

**There were no exceptions noted as a result of applying this procedure.**

iii) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no terminated employees during the fiscal period thus making this procedure not applicable.**

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

**There were no exceptions noted as a result of applying this procedure.**

## ***10) Ethics***

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

i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170  
**Inquired with the District and there is no exceptions noted as a result of this procedure.**

### ***11) Debt Service***

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

**No debt was issued during the fiscal period. Therefore, this procedure is not applicable.**

- B. 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).

**There were no exceptions noted as a result of applying this procedure.**

### ***12) Fraud Notice***

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

**Management has asserted that the entity did not have any misappropriations of public funds or assets.**

- B. 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.

**The District has posted on its premises the notice required by R.S. 24:523.1.**

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

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- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
  - i) 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.

**The District does not use information technology (“IT”) for their accounting records, making this procedure not applicable.**

- ii) 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.

**The District does not use IT for their accounting records, making this procedure not applicable.**

- iii) 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.

**The District does not use IT for their accounting records, making this procedure not applicable.**

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**The District does not use information technology (“IT”) for their accounting records, making this procedure not applicable.**

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

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

**Exception: No employees completed one hour of sexual harassment training during the calendar year.**

**Management’s response: Management is in the process of updating their policies and procedures to address the above exceptions.**

- B. 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).

**Exception: The District does not have its sexual harassment policy and complaint procedures posted in a conspicuous location on its premises.**

**Management’s response: Management will print its sexual harassment policy and complaint procedures and post it in a conspicuous location on its premises.**

- C. 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:

- i) Number and percentage of public servants in the agency who have completed the training requirements;
- ii) Number of sexual harassment complaints received by the agency;
- iii) Number of complaints which resulted in a finding that sexual harassment occurred;
- iv) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v) Amount of time it took to resolve each complaint.

**Exception: The District did not create a sexual harassment report for the current fiscal period.**

**Management's response: Management will produce a sexual harassment report with the above items timely going forward.**

We were engaged by the Calcasieu Parish Ward 7 Fire Protection District No. 1 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were 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, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Calcasieu Parish Ward 7 Fire Protection District No. 1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our 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.



Langley, Williams & Co., LLC  
Lake Charles, LA  
June 14, 2023