

**ST. LANDRY FIRE PROTECTION
DISTRICT NO. II**

Port Barre, Louisiana

Financial Report

Year Ended December 31, 2021

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowkes, CPA

C. Burton Kolder, CPA*
Of Counsel

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022

INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

Board of Commissioners
St. Landry Fire Protection District No. II
Port Barre, Louisiana

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the St. Landry Fire Protection District No. II (District), a component unit of the St. Landry Parish Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility 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 auditor's 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 28, the schedule of employers share of net pension liability and employer contributions on pages 29 and 30 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The comparative balance sheets on page 33 and the comparative statements of revenues, expenditures and changes in fund balance on page 34 are 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, these statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The prior year comparative information was derived from the District's 2020 financial statements, which were 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, and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements as a whole from which they have been derived.

The schedule of expenditures compared to budget on page 35 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 13, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 13, 2022

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Statement of Net Position
December 31, 2021

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 4,487,124
Taxes receivable	313,740
Other receivable	5,312
Due from other governmental agencies	1,487,268
Prepaid insurance	<u>26,695</u>
Total current assets	<u>6,320,139</u>
Noncurrent assets:	
Capital assets not being depreciated -	
Land	36,659
Capital assets, net of depreciation	<u>1,292,408</u>
Total noncurrent assets	<u>1,329,067</u>
Total assets	<u>7,649,206</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>755,887</u>
LIABILITIES	
Current liabilities:	
Accounts and other liabilities	66,452
Noncurrent liabilities:	
Net pension liability	<u>1,416,967</u>
Total liabilities	<u>1,483,419</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>1,123,798</u>
NET POSITION	
Net investment in capital assets	1,329,067
Unrestricted	<u>4,468,809</u>
Total net position	<u>\$ 5,797,876</u>

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Statement of Activities
For the Year Ended December 31, 2021

Activities	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental activities:			
Public safety - fire	\$ <u>2,490,657</u>	\$ <u>129,183</u>	\$ <u>(2,361,474)</u>
General revenues:			
Property taxes			1,873,838
State revenue sharing			32,008
Interest and investment earnings			18,427
Non employer pension contributions			114,225
Miscellaneous			<u>122,996</u>
Total general revenues			<u>2,161,494</u>
Change in net position			(199,980)
Net position - January 1, 2021			<u>5,997,856</u>
Net position - December 31, 2021			<u>\$ 5,797,876</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Balance Sheet
Governmental Fund
December 31, 2021

General Fund

ASSETS

Cash and interest-bearing deposits	\$ 4,487,124
Taxes receivable	313,740
Other receivable	5,312
Due from other governmental agencies	1,487,268
Prepaid insurance	<u>26,695</u>
Total assets	<u>\$ 6,320,139</u>

LIABILITIES, DEFERRED INFLOWS
OF RESOURCES, AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 30,501
Accrued liabilities	<u>35,951</u>
Total liabilities	<u>66,452</u>
Deferred inflows of resources:	
Ad valorem taxes	38,907
State revenue sharing	<u>21,504</u>
Total deferred inflows of resources	<u>60,411</u>
Fund balance:	
Nonspendable - prepaid items	26,695
Unassigned	<u>6,166,581</u>
Total fund balance	<u>6,193,276</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 6,320,139</u>

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2021

Total fund balance for the governmental fund at December 31, 2021		\$ 6,193,276
Total net position reported for the governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 36,659	
Depreciable assets, net of \$2,331,591 accumulated depreciation	<u>1,292,408</u>	1,329,067
The deferred outflows of expenditures for pensions are not a use of current resources and, therefore, are not reported in the funds.		
		755,887
Long term liabilities are not due and payable in the current period and, therefore, not reported in the governmental funds.		
Long-term liabilities at December 31, 2021:		
Net pension liability		(1,416,967)
Some of the District's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources at the fund level.		
Ad valorem taxes	38,907	
State revenue sharing	<u>21,504</u>	60,411
The deferred inflows of contributions for the pension plan are not available resources and, therefore, are not reported in the funds.		
		<u>(1,123,798)</u>
Total net position of governmental activities at December 31, 2021		<u>\$ 5,797,876</u>

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

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

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$ 1,883,477
Intergovernmental revenues -	
State revenue sharing	32,008
Fire insurance rebate	20,683
On-behalf payments	108,500
Other income	122,996
Interest income	<u>18,427</u>
Total revenues	<u>2,186,091</u>
Expenditures:	
Current -	
Public safety - fire	<u>2,377,748</u>
Net change in fund balance	(191,657)
Fund balance, beginning	<u>6,384,933</u>
Fund balance, ending	<u>\$ 6,193,276</u>

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Change in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2021

Total net change in fund balance for the year ended December 31, 2021 per statement of revenues, expenditures and changes in fund balance	\$ (191,657)
The change in net position reported for governmental activities in the statement of activities is different because:	
Depreciation expense	(175,817)
Some revenues are not considered measurable at year end, therefore, they are not considered "available" revenues in the governmental funds	
Non employer pension contributions	114,225
Some of the District's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources at the fund level.	
Ad valorem taxes	(9,639)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.	
Pension expense	<u>62,908</u>
Total change in net position for the year ended December 31, 2021 per statement of activities	<u>\$ (199,980)</u>

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the St. Landry Fire Protection District No. II (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The St. Landry Parish Fire Protection District No. II is a component unit of the St. Landry Parish Government. The District was established in 1955 to provide fire protection and rescue service for the residents of the District.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

The fund of the District is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The District has only one fund, a governmental fund. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Fire District is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781 is the principal fund of the District and is used to account for the operations of the District. General operating expenditures are paid from this fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The District reports deferred inflows of resources on its governmental fund balance sheet. For governmental fund financial statements, deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.

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.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the District.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not received.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	10 - 40 years
Equipment, furniture and fixtures	5 - 10 years
Fire engines	5 - 10 years

Employee Benefit Policy

Employees of the District who have been employed for one year earn 18 days of vacation pay. After ten years of service, they earn one additional day of vacation pay for each year worked up to the maximum of 30 days. All employees are entitled to 365 days sick pay after being employed for three months. No sick pay is paid upon resignation or retirement. Employees of the District are not allowed to carry over vacation; therefore, no accruals have been made for accumulated unpaid vacation and sick leave.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At December 31, 2021, the District recorded deferred inflows of resources resulting from ad valorem tax collections in the amount of \$38,907 and state revenue sharing collections in the amount of \$21,504 that was received more than 60 days after the close of the fiscal year in the fund financial statements. On the government-wide financial statements, the District also recognized deferred inflows of resources in the amount of \$1,123,798 and deferred outflows of resources in the amount of \$755,887 attributable to its pension plan.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the District's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental fund are classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the District.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the Board.
- e. Unassigned – all other spendable amounts.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

When an expenditure is incurred for the 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 has provided otherwise in its commitment or assignment actions.

E. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

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 in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2021, the District's cash and interest-bearing deposits (book balances) consisted of demand deposits totaling \$4,487,124.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. 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 similar federal security 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 bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2021, are secured as follows:

Bank balances	<u>\$4,488,775</u>
Secured by:	
Federal deposit insurance	\$ 250,000
Pledged securities	<u>4,238,775</u>
	<u>\$4,488,775</u>

Deposits in the amount of \$4,238,775 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name. The District does not have a policy for custodial credit risk.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and billed to the taxpayers by the St. Landry Parish Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the St. Landry Assessor and are collected by the St. Landry Parish Sheriff.

For the year ended December 31, 2021, taxes were levied at the rate of 17.58 mills on property with net assessed valuations totaling \$115,266,012. The total assessment of 17.58 mills consists of one tax levy: 17.58 mills assessed in 2020, expiring in 2029. This tax levy was renewed for a period of ten (10) years, beginning with year 2020 and ending with the year 2029.

Total taxes levied during 2021 were \$2,026,379, excluding \$156,585 due to homestead exemption. Taxes receivable at December 31, 2021 of \$313,740 consisted of \$332,361 gross taxes receivable less an allowance for uncollectible accounts of \$18,621.

(4) Due from Other Governmental Agencies

The balance in due from other governmental agencies of \$1,487,268 consisted of \$1,465,764 due from St. Landry Parish Sheriff and \$21,504 due from the State of Louisiana at December 31, 2021.

(5) Capital Assets

Capital asset balances and activity for the year ended December 31, 2021 are as follows:

	Balance 01/01/21	Additions	Deletions	Balance 12/31/21
Land	\$ 36,659	\$ -	\$ -	\$ 36,659
Buildings and improvements	1,408,608	-	-	1,408,608
Equipment, furniture and fixtures	511,072	-	-	511,072
Fire engines	<u>1,704,319</u>	-	-	<u>1,704,319</u>
Totals	3,660,658	-	-	3,660,658
Less: Accumulated depreciation	<u>2,155,774</u>	<u>175,817</u>	-	<u>2,331,591</u>
Net Capital Assets	<u>\$ 1,504,884</u>	<u>\$ (175,817)</u>	<u>\$ -</u>	<u>\$ 1,329,067</u>

Depreciation expense of \$175,817 was charged to the public safety function.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

(6) Employee Retirement Systems

The District participates in a cost-sharing defined benefit plan, administered by a public employee retirement system. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of the plan administered by the public employee retirement system to the State Legislature. The plan is not closed to new entrants. Substantially all District employees participate in the following retirement system:

Plan Description:

State of Louisiana – Firefighters’ Retirement System (FRS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2251-2254 and 11:2256.

The system’s financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plan is provided in the following table:

Final average salary	Highest 36 months
Years of service required and/or age eligible for benefits	25 years of any age 20 years age 50 12 years age 55
Benefit percent per years of service	3.33%

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer’s portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems’ Actuarial Committee. For the year ended December 31, 2021, the contribution percentages for employees and employer were 10.0% and 33.75%, respectively. The amounts contributed from non-employer contributing entities and from the District for the year ended December 31, 2021 were \$114,225 and \$327,341, respectively.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

Net Pension Liability

The District's net pension liability at December 31, 2021 of \$1,416,967 is comprised of its proportionate share of the net pension liability relating to the cost-sharing plan in which the District is a participating employer.

The District's net pension liability for the plan was measured as of the plan's measurement date (June 30, 2021) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability for the plan in which it participates was based on the District's required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the District's proportion for the plan was 0.399838% and the change in proportion from the prior measurement date was an decrease of 0.001516%.

Since the measurement date of the net pension liability was June 30, 2021, the net pension liability is based upon fiduciary net position for the plan as of that date. Detailed information about the pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the District's net pension liability is available in the separately issued plan financial report which may be accessed on their website at <http://www.ffret.com>.

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for the defined benefit plan in which the District is a participating employer:

Date of experience study on which significant assumptions are based	7/1/2014 - 6/30/2019
Expected remaining service lives	7
Inflation Rate	2.500%
Projected salary increases	5.20% - 14.10%
Projected benefit changes including COLAs	None
Source of mortality assumptions	(1), (2),(3),(4)

- (1) Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees used for active members.
- (2) Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees used for annuitants and beneficiaries.
- (3) Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees used for disabled retirees.
- (4) In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

Cost of Living Adjustments

The pension plan in which the District participates has the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis.

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide system (FRS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

Discount Rate

The discount rate used to measure the District's total pension liability for the plan and the significant assumptions used in the determination of the discount rate for the plan are as follows:

Discount rate	6.90%
Change in discount rate from prior valuation	-0.10%
Plan cash flow assumptions	(1)
Rates incorporated in the Discount Rate:	
Long-term Rate of Return	6.90%
Periods applied	All
Municipal Bond Rate	N/A

***Plan Cash Flow Assumptions:**

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

The discount rate used to measure the District's total pension liability for the plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. The long-term expected rate of return for the plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for the plan in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	27%	5.86%
International Equity	12%	6.44%
Global Equity	10%	6.40%
Emerging Market Equity	7%	8.64%
Fixed Income	26%	4.12%
Real Estate	6%	5.31%
Private Equity	9%	9.53%
Real Assets	3%	***
Global Tactical Asset Allocation	0%	4.17%
Risk Parity	0%	4.17%
Total	<u>100%</u>	

***Subsequent to the actuary's calculation of the long term expected real rate of return in January 2021, the Board voted to amend the target asset allocation (which included a target weight in private real assets).

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2021, the District recognized \$264,433 in pension expense related to the defined benefit plan in which it participates.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,220	\$ 127,247
Changes of assumptions	307,046	-
Net difference between projected and actual earnings on pension plan investments	-	859,898
Change in proportion and differences between employer contributions and proportionate share of contributions	264,345	136,653
Employer contributions subsequent to the measurement date	164,276	-
Total	\$ 755,887	\$ 1,123,798

Deferred outflows of resources of \$164,276 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended December 31	Net Amount Recognized in Pension Expense
2022	\$ (25,949)
2023	(86,168)
2024	(172,482)
2025	(270,236)
2026	1,108
Thereafter	21,540
	\$ (532,187)

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

Sensitivity of the District's Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:

The following presents the District's proportionate share of the net pension liabilities of the plan, calculated using its respective discount rate of 6.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability	<u>\$2,718,346</u>	<u>\$ 1,416,967</u>	<u>\$ 331,630</u>

Payables to Pension Plan

Included in accounts and other liabilities at December 31, 2021 was the District's payable to FRS of \$24,407, which was the contractually required contribution for the month of December 2021.

(7) Risk Management

The District is exposed to risks of loss in the areas of auto and property liability and surety bonds. All these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(8) On-Behalf Payment of Salaries

The State of Louisiana paid the District's firemen \$108,500 of supplemental pay during the year ended December 31, 2021. Such payments are recorded as intergovernmental revenues and public safety expenditures.

(9) Litigation

As of December 31, 2021, the District is not involved in any litigation.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

(10) Compensation of Board Members

A detail of compensation paid to Board Members for the year ended December 31, 2021 follows:

John P. Ardoin, Secretary/Treasurer	\$ 8,094
Don LeBlanc, Chairman	5,334
James Kennison	375
John Lamury	450
Robert Duplechin	900
Leroy Andrus	750
Barry Hardy	<u>225</u>
Total	<u>\$ 16,128</u>

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members received \$75 per diem for attendance at regular meetings of the Board and the chairman received \$357 per month as an expense allowance. John Ardoin receives additional compensation because he functions as both secretary and treasurer, which involves bookkeeping duties for the department.

(11) Compensation, Benefits, and Other Payments to Agency Head

A detail of amounts paid to Roy Hardy, Fire Chief, for the year ended December 31, 2021 follows:

Purpose:	<u>Amount</u>
Salary	\$ 118,944
Benefits - retirement and other taxes	9,100
Benefits - insurance	7,339
Cell phone	<u>2,048</u>
Total	<u>\$ 137,431</u>

(12) Uncertainties Arising During and After Financial Statement Date

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen which may have and continue to impact the District's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

**REQUIRED
SUPPLEMENTARY INFORMATION**

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 1,873,262	\$ 1,875,494	\$ 1,883,477	\$ 7,983
Intergovernmental revenues -				
State revenue sharing	33,000	32,222	32,008	(214)
Fire insurance rebate	21,000	20,683	20,683	-
On-behalf payments	-	108,500	108,500	-
Other income	70,000	71,000	122,996	51,996
Interest income	20,000	5,400	18,427	13,027
Total revenues	<u>2,017,262</u>	<u>2,113,299</u>	<u>2,186,091</u>	<u>72,792</u>
Expenditures:				
Current -				
Public safety - Fire	2,361,797	2,296,940	2,377,748	(80,808)
Capital outlay	25,000	3,300	-	3,300
Total expenditures	<u>2,386,797</u>	<u>2,300,240</u>	<u>2,377,748</u>	<u>(77,508)</u>
Net change in fund balance	(369,535)	(186,941)	(191,657)	(4,716)
Fund balance, beginning	<u>6,384,933</u>	<u>6,384,933</u>	<u>6,384,933</u>	<u>-</u>
Fund balance, ending	<u>\$ 6,015,398</u>	<u>\$ 6,197,992</u>	<u>\$ 6,193,276</u>	<u>\$ (4,716)</u>

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Firefighters' Retirement System
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2021

Plan Fiscal Year	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2021	0.399838%	\$ 1,416,967	\$ 1,005,476	140.9%	86.78%
6/30/2020	0.398322%	2,760,989	991,665	278.4%	72.61%
6/30/2019	0.431749%	2,703,573	1,043,483	259.1%	73.96%
6/30/2018	0.431749%	2,474,481	1,024,211	241.6%	74.76%
6/30/2017	0.378859%	2,171,563	884,582	245.5%	73.55%
6/30/2016	0.323592%	2,116,584	731,435	289.4%	68.16%
6/30/2015	0.249285%	1,345,419	532,848	252.5%	72.45%

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

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Firefighters' Retirement System
Schedule of Employer Contributions
For the Year Ended December 31, 2021

Fiscal Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2021	\$ 327,341	\$ 327,341	\$ -	\$ 991,942	33.00%
2020	301,230	301,230	-	1,004,100	30.00%
2019	284,331	284,331	-	1,048,225	27.12%
2018	279,055	279,055	-	1,053,038	26.50%
2017	263,576	263,576	-	1,018,651	25.88%
2016	187,388	187,388	-	713,859	26.25%
2015	188,948	188,948	-	668,842	28.25%

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

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Notes to the Required Supplementary Information

(1) Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to January 1, the Chairman submits to the Board a proposed budget for the ensuing year. The operating budget includes proposed expenditures and the means of financing them.
- b. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- c. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- d. All budgetary appropriations lapse at the end of each fiscal year.
- e. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Fire District. Such amendments were not material in relation to the original appropriations.

(2) Pension Plan

Changes of assumptions about future economic or demographic factors or of other outputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that were provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and other various factors that have an impact on the cost of the plan.

(3) Excess of Expenditures Over Appropriations

For the year ended December 31, 2021, the General Fund had actual expenditures over appropriations at the functional level as follows:

<u>Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Public Safety - Fire	\$2,296,940	\$2,377,748	\$ (80,808)

OTHER SUPPLEMENTARY INFORMATION

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Comparative Balance Sheets
General Fund
December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash and interest-bearing deposits	\$ 4,487,124	\$ 4,646,018
Taxes receivable	313,740	358,016
Other receivable	5,312	5,312
Due from other governmental agencies	1,487,268	1,449,639
Prepaid insurance	26,695	34,317
Total assets	\$ 6,320,139	\$ 6,493,302
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 30,501	\$ 3,070
Accrued liabilities	35,951	35,249
Total liabilities	66,452	38,319
Deferred inflows of resources:		
Ad valorem taxes	38,907	48,546
State revenue sharing	21,504	21,504
Total deferred inflows of resources	60,411	70,050
Fund balance:		
Nonspendable - prepaid items	26,695	34,317
Unassigned	6,166,581	6,350,616
Total fund balances	6,193,276	6,384,933
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,320,139	\$ 6,493,302

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Comparative Statements of Revenues, Expenditures, and Change in Fund Balance
General Fund
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues:		
Ad valorem taxes	\$ 1,883,477	\$ 1,835,316
Intergovernmental revenues -		
State revenue sharing	32,008	32,354
Fire insurance rebate	20,683	20,917
On-behalf payments	108,500	115,500
Other income	122,996	83,428
Interest income	18,427	18,054
Total revenues	<u>2,186,091</u>	<u>2,105,569</u>
Expenditures:		
Current -		
Public safety - fire	2,377,748	2,315,244
Capital outlay	-	14,547
Total expenditures	<u>2,377,748</u>	<u>2,329,791</u>
 Net change in fund balance	 (191,657)	 (224,222)
 Fund balance, beginning, as restated	 <u>6,384,933</u>	 <u>6,609,155</u>
 Fund balance, ending	 <u>\$ 6,193,276</u>	 <u>\$ 6,384,933</u>

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Schedule of Expenditures Compared to Budget (GAAP Basis) -
General Fund
For the Year Ended December 31, 2021
With Comparative Actual Amounts for Year Ended December 31, 2020

	2021			Variance - Favorable (Unfavorable)	2020 Actual
	Budget		Actual		
	Original	Final			
Current:					
Public safety -					
Board fees/compensation	\$ 17,253	\$ 16,128	\$ 16,128	\$ -	\$ 15,603
Salaries	1,202,824	1,237,050	1,237,547	(497)	1,266,522
Extra shifts and call out time	69,500	84,250	82,966	1,284	81,565
Payroll taxes	116,000	103,060	92,088	10,972	106,010
Pension plan contribution	385,000	326,000	327,341	(1,341)	301,230
Pension deduction	59,500	58,507	58,419	88	58,507
Repairs and maintenance	46,000	62,750	125,250	(62,500)	35,153
Office expense	10,500	12,685	14,000	(1,315)	5,553
Supplies	46,200	17,450	17,964	(514)	38,042
Professional fees	32,020	27,560	28,427	(867)	30,820
Telephone and utilities	37,500	50,500	48,242	2,258	36,382
Insurance	320,000	287,700	316,062	(28,362)	323,762
Gasoline and oil	13,000	12,500	12,458	42	10,803
Uniforms	6,500	800	856	(56)	5,292
Total public safety	<u>2,361,797</u>	<u>2,296,940</u>	<u>2,377,748</u>	<u>(80,808)</u>	<u>2,315,244</u>
Capital outlay	<u>25,000</u>	<u>3,300</u>	<u>-</u>	<u>3,300</u>	<u>14,547</u>
Total expenditures	<u>\$2,386,797</u>	<u>\$2,300,240</u>	<u>\$2,377,748</u>	<u>\$ (77,508)</u>	<u>\$2,329,791</u>

**INTERNAL CONTROL,
COMPLIANCE
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA

P. O. Box 82329
Lafayette, LA 70598

Phone (337) 232-4141
Fax (337) 232-8660

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 283-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 387-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022

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

Board of Commissioners
St. Landry Fire Protection District No. II
Port Barre, 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 governmental activities and the major fund of the St. Landry Fire Protection District No. II (the District), a component unit of the St. Landry Parish Government as of and for the year ended December 31, 2021, and the related notes to the financial statements, which comprise the District's basic financial statements and have issued our report thereon dated June 13, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified a certain deficiency in internal control that we consider to be a material weakness. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2021-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's 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 determination of financial statement amounts. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. We did not audit the District's response and, accordingly, we express no opinion on it.

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. However, this report is a matter of public record and its distribution is not limited.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 13, 2022

ST. LANDRY FIRE PROTECTION DISTRICT NO. II
Port Barre, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan

Part I. Current Year Audit Findings and Management's Corrective Action Plan

A. Internal Control Findings -

2021-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2007

CONDITION The District did not have adequate segregation of functions within the accounting system.

CRITERIA: The District should have a control which results in no person being given responsibility for more than one related function.

CAUSE: Due to the size of the District, there are a small number of available employees.

EFFECT: The District has employees that are performing more than one related function.

RECOMMENDATION: The District should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Due to the size of the operations and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

B. Compliance Findings

There are no findings to report under this section.

Part II. Prior Year Audit Findings

A. Internal Control Findings -

2020-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2007

CONDITION Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: The District should establish and monitor mitigating controls over functions that are not completely segregated.

CURRENT STATUS: Unresolved. See finding 2021-001.

**ST. LANDRY PARISH FIRE PROTECTION
DISTRICT NO. II**
Port Barre, Louisiana

Agreed-Upon Procedures Report

Year Ended December 31, 2021

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022

* A Professional Accounting Corporation

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 883-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRPCAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of the St.
Landry Fire Protection District No. II
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, 2021 through December 31, 2021. The St. Landry Parish Fire District No. II's (the District) management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the District's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the District's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) 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 unrestricted fund balance in the General Fund.

Bank Reconciliations

3. We obtained a listing of the District's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the District's main operating account. We selected the District's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic fund transfers)

4. We obtained 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. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.

7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected 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.* We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Traced the actual deposit per the bank statement to the general ledger.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained 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 we observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the District's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
 - a) We observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. We obtained 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. We obtained management's representation that the listing is complete.

12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
 - a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

14. We obtained 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. We randomly selected 5 reimbursements, we obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, we observed 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).
 - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. We obtained 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.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) We observed that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g., change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

- 16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
 - a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in the District's cumulative leave records.
 - d) We observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and the District's policy on termination payments. We agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
- 19. We obtained 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.

Ethics

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

Debt Service

21. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed 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).

Fraud Notice

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the District reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the District is domiciled.
24. Observe that the District 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.

Information Technology Disaster Recovery/Business Continuity

25. We performed the following procedures, verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."
 - a) We obtained and inspected the District'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 observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), we observed evidence that backups are encrypted before being transported.
 - b) We obtained and inspected 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 observed evidence that the test/verification was successfully performed within the past 3 months.
 - c) We obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected 5 computers and observed 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.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. We observed the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

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

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

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Written Policies and Procedures

1. The District does not have written policies and procedures for budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, credit cards, travel and expense reimbursement, ethics (actions to be taken if an ethics violation takes place, system to monitor possible ethics violations and a requirement for all the annually attest through signature they have read the policy), debt service and information technology disaster recovery/business continuity.

Management's response:

The District will develop written policies and procedures to address the categories specified above.

Collections

2. The employee responsible for collecting checks was not covered by a bond or insurance policy for theft.

Management's response: The District will obtain a bond or insurance policy for theft for the employee responsible for collecting cash.

Sexual Harassment

3. The District did not file a sexual harassment report as required by La. RS 42:344.

Management's response: Management will produce and submit a sexual harassment report in accordance with La. RS 42:344.

We were engaged by the District 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 District 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 13, 2022