

EVANGELINE PARISH WARD ONE

FIRE DISTRICT NO. 2

Financial Report

Year Ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Evangeline Parish Ward One Fire District No. 2 (Fire District), a component unit of the Evangeline Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Fire 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 Fire District, as of December 31, 2022 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Fire 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire 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.

To the Board of Directors
Evangeline Parish Ward One Fire District No. 2

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Fire 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 Fire 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 information on page 26 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

To the Board of Directors
Evangeline Parish Ward One Fire District No. 2

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 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 an opinion on the financial statements that collectively comprise the Fire District's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 29, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a part of the financial statements. This schedule 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 13, 2023, on our consideration of the Fire 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 Fire 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 the Fire District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 13, 2023 on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards.

To the Board of Directors
Evangeline Parish Ward One Fire District No. 2

The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

John S. Dowling & Company

Opelousas, Louisiana
June 13, 2023

BASIC FINANCIAL STATEMENTS

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

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS	
Cash and interest-bearing deposits	\$1,876,968
Receivables	878,161
Capital assets, net	<u>2,176,212</u>
Total assets	<u>4,931,341</u>
LIABILITIES	
Accounts and other payables	46,081
Long-term liabilities:	
Due within one year -	
Notes payable	73,952
Due after one year -	
Notes payable	<u>153,187</u>
Total liabilities	<u>273,220</u>
NET POSITION	
Net investment in capital assets	1,949,073
Unrestricted	<u>2,709,048</u>
Total net position	<u>\$4,658,121</u>

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

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Statement of Activities
Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Total Governmental Activities
Public safety	\$ 1,686,445	\$ 5,000	\$ (1,681,445)
Interest on long-term debt	9,800	-	(9,800)
<u>Total governmental activities</u>	<u>1,696,245</u>	<u>5,000</u>	<u>(1,691,245)</u>
General revenues:			
Ad valorem taxes			838,459
State revenue sharing			17,509
Fire insurance rebate			58,871
On-behalf payments			766,354
Miscellaneous income			9,083
Interest and investment earnings			8,486
Total general revenues			<u>1,698,762</u>
Change in net position			7,517
Net position, beginning			<u>4,650,604</u>
Net position, ending			<u>\$ 4,658,121</u>

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

FUND FINANCIAL STATEMENTS (FFS)

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Balance Sheet
Governmental Fund - General Fund
December 31, 2022

Assets:	
Cash and interest-bearing deposits	\$1,876,968
Receivables	<u>878,161</u>
Total assets	<u>\$2,755,129</u>
Liabilities:	
Accounts payable	\$ 42,232
Accrued liabilities	<u>3,849</u>
Total liabilities	46,081
Deferred inflows of resources:	
Unavailable revenues - property taxes and state revenue sharing	243,360
Fund balance:	
Unassigned	<u>2,465,688</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$2,755,129</u>

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

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Reconciliation of the Governmental Fund's Balance Sheet
to the Statement of Net Position
December 31, 2022

Total fund balance for the governmental fund at December 31, 2022		\$2,465,688
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Construction in progress	\$ 8,200	
Land	47,000	
Equipment, net of \$1,854,623 accumulated depreciation	1,857,256	
Buildings and improvements, net of \$295,761 accumulated depreciation	<u>263,756</u>	2,176,212
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:		
Notes payable		(227,139)
Revenues that have been deferred are unearned in the governmental funds but are recognized as revenue in the government-wide financial statements		<u>243,360</u>
Net position at December 31, 2022		<u>\$4,658,121</u>

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

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund - General Fund
Year Ended December 31, 2022

Revenues:	
Ad valorem tax	\$ 673,630
State revenue sharing	30,035
Fire insurance rebate	58,871
On-behalf payments - City of Ville Platte	766,354
Miscellaneous income	9,083
Interest income	<u>8,486</u>
Total revenues	<u>1,546,459</u>
Expenditures:	
Current -	
Advertising	7,527
Communications expense	9,473
Election expense	5,090
Fuel	40,850
Insurance	60,884
Office	9,160
Pension expense	28,386
Professional fees	17,250
Repairs and maintenance	82,587
Salaries and related benefits	380,328
Salaries and related benefits - on-behalf	766,354
Supplies	22,787
Telephone	1,537
Training	18,911
Uniforms	16,920
Utilities	9,638
Volunteer firemen	4,013
Capital outlay	473,273
Debt service -	
Principal retirement	153,811
Interest	<u>9,800</u>
Total expenditures	<u>2,118,579</u>
Deficiency of revenues under expenditures	(572,120)
Other financing sources:	
Inception of capital lease	<u>298,716</u>
Net change in fund balance	(273,404)
Fund balance, beginning	<u>2,739,092</u>
Fund balance, ending	<u>\$2,465,688</u>

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

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
Year Ended December 31, 2022

Total change in fund balance for the year ended December 31, 2022 per statement of revenues, expenditures and changes in fund balance		\$(273,404)
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the statement of revenues, expenditures and changes in fund balance	\$ 473,273	
Depreciation expense	<u>(204,750)</u>	268,523
Donated capital contributions are not reported in the governmental funds. However, in the statement of activities, the fair market value of those assets is recognized as revenue		
		5,000
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Inception of capital lease	(298,716)	
Payment of notes payable	<u>153,811</u>	(144,905)
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds		
Change in unavailable revenues		<u>152,303</u>
Total change in net position per statement of activities		<u>\$ 7,517</u>

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

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Evangeline Parish Ward One Fire District No. 2 (Fire 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.

The Fire District is a component unit of the Evangeline Parish Police Jury, the primary government. The board members of the Fire District are appointed by the Evangeline Parish Police Jury.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

The Evangeline Parish Ward One Fire District No. 2 (hereafter referred to as the "Fire District") has been created by and in accordance with provisions of Part I, Chapter 7, Title 40 of the Louisiana Revised Statutes of 1950 for the purpose of fire protection in the Evangeline Parish area. The Fire District's board consists of five members who are appointed by the Evangeline Parish Police Jury and serve four-year terms. Board members receive no compensation.

This report includes all funds, which are controlled by or dependent on the Fire District and legislative branches (the President and Board of Commissioners). Control by or dependence on the Fire District was determined on the basis of general oversight responsibility.

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 Fire 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.

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the Fire 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.

The fund of the Fire 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. 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 Fire District and is used to account for the operations of the Fire District's office. The various fees and charges due to the Fire District's office are accounted for in this fund. 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.

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

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 and liabilities (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.

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.

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Fire District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Fire District's general revenues.

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows 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 Fire District.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes and state revenue sharing.

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 acquisition value at the date of donation. The Fire District maintains a threshold level of \$5,000 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 position. 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:

Equipment	5-15 years
Buildings and improvements	40 years

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Since the Fire District doesn't have a proprietary fund, all long-term debt is used in governmental fund operations.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. Long-term debt of the Fire District at December 31, 2022 consists of financing leases.

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

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. Ad valorem taxes and state revenue sharing for the governmental fund which have not been remitted within 60 days subsequent to year end are considered deferred inflows of resources.

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 consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or laws through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. It is the Fire District's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds 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.

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

- 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 Fire 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. Under the Fire District’s adopted policy, only the Fire District may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

It is the Fire District’s policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Fire District uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

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, and 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.

F. Post-Employment Benefits other than Pensions

The Fire District does not provide any post-employment benefits to retirees and therefore is not required to report under GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits other than Pensions.

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Fire 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 Fire District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2022, the Fire District has cash and interest-bearing deposits (book balances) as follows:

Demand deposits	\$ 414,488
Time and savings deposits	<u>1,462,480</u>
Total	<u>\$ 1,876,968</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Fire District's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. 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 pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2022, were secured as follows:

Bank balances	<u>\$ 1,879,371</u>
Federal deposit insurance	\$ 500,000
Pledged securities	<u>1,379,371</u>
Total	<u>\$ 1,879,371</u>

Deposits in the amount of \$1,379,371 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Fire District's name. The Fire District does not have a policy for custodial credit risk.

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(3) Capital Assets

Capital asset balances and activity for the year ended December 31, 2022 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 47,000	\$ -	\$ -	\$ 47,000
Construction in progress	-	8,200	-	8,200
Equipment	3,241,806	470,073	-	3,711,879
Buildings and improvements	559,517	-	-	559,517
Total capital assets	3,848,323	478,273	-	4,326,596
Less: Accumulated depreciation	1,945,634	204,750	-	2,150,384
Net capital assets	<u>\$1,902,689</u>	<u>\$273,523</u>	<u>\$ -</u>	<u>\$2,176,212</u>

Depreciation expense of \$204,750 was charged to the public safety function for the year ending December 31, 2022.

(4) Ad Valorem Taxes and State Revenue Sharing

Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year. Taxes are levied in October and billed to the taxpayers by the Evangeline Parish Sheriff in December. Billed taxes become delinquent on January 1st of the following year. The taxes are based on assessed values determined by the Evangeline Parish Assessor and are collected by the Sheriff.

For the year ended December 31, 2022, taxes were levied at the rate of 11.20 mills on property with assessed valuations totaling \$79,378,453. Total taxes levied during 2022 were \$889,038. Ad valorem taxes receivable at December 31, 2022 was \$860,652 and there was no allowance for doubtful accounts necessary.

For the year ended December 31, 2022, state revenue sharing receivable was \$17,509 and there was no allowance for doubtful accounts needed.

(5) Accounts and other payables

The accounts and other payables consisted of the following at December 31, 2022:

Accounts	\$42,232
Accrued liabilities	3,849
Totals	<u>\$46,081</u>

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(6) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions for the year ended December 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	<u>\$ 82,234</u>	<u>\$ 298,716</u>	<u>\$ 153,811</u>	<u>\$ 227,139</u>	<u>\$ 73,952</u>

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

\$316,257 purchase agreement dated November 28, 2018, due in four annual installments of \$84,022, and one last installment of \$260 including interest of 2.45% through November 28, 2023, secured by equipment.	\$ 255
\$298,716 purchase agreement dated May 25, 2021, due in four annual installments of \$79,590 including interest of 2.597%, through May 25, 2025, secured by equipment.	<u>226,884</u>
	<u>\$ 227,139</u>

The following is a schedule of future minimum lease payments under the lease and the present value of the net minimum lease payments at December 31, 2022:

Year ending December 31,	Governmental Activities	
	Principal	Interest
2023	\$ 73,953	\$ 5,898
2024	75,611	3,978
2025	<u>77,575</u>	<u>2,015</u>
	<u>\$ 227,139</u>	<u>\$ 11,891</u>

(7) Tax Abatements

The Industrial Ad Valorem Tax Exemption Program (ITEP) provided through the Louisiana Department of Economic Development, (authorized pursuant to Article VII, Part II, Section 21(F) of the Louisiana Constitution of 1974) authorizes the abatement of ad valorem taxes for a period of up to ten years on capital improvements and equipment related to manufacturing. The Fire District abated property taxes to entities in the parish through the ITEP in the amount of \$47,367 for the year ended December 31, 2022.

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(8) Risk Management

The Fire District is exposed to risks of loss in the areas of auto and property liability and workers' compensation. All of 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.

(9) Litigation

There is no litigation pending against the Fire District at December 31, 2022.

(10) Board Members

Board members do not get paid for serving on the board. A list of board members as of December 31, 2022 is as follows:

Steve Thibodeaux
Daniel McDaniel
Hunter Soileau
Ted Demoruelle
Nathaniel Thomas

(11) On Behalf Payments

The City of Ville Platte pays the salaries, health insurance and retirement for the employees of the Fire District. The Fire District reimburses the City of Ville Platte for a portion of these expenses. Reimbursements made to the City of Ville Platte for the year ending December 31, 2022 totaled \$293,689. The City of Ville Platte paid \$766,354 in on-behalf payments for salaries and related benefits of the Fire District. The City of Ville Platte makes contributions to the Municipal Employees Retirement System of Louisiana for the Fire District's employees.

(12) Accounting Pronouncements Adopted

The Fire District has implemented GASB Statement No. 87, Leases. This statement increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The requirements of this statement are effective for the fiscal year ending December 31, 2022.

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(13) Subsequent Events

Subsequent events were evaluated through June 13, 2023, which is the date the financial statements were available to be issued. The Fire District has plans to build a new fire station with an estimated cost of \$2,409,401 and obtained a bond for \$2,000,000 to finance the construction. The Fire District began accepting bids for the construction of the fire station in May 2023.

**REQUIRED
SUPPLEMENTARY INFORMATION**

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem tax	\$ 900,000	\$ 900,000	\$ 673,630	\$(226,370)
State revenue sharing	33,000	33,000	30,035	(2,965)
Fire insurance rebate	26,000	26,000	58,871	32,871
On-behalf payments - City of Ville Platte	766,354	766,354	766,354	-
Miscellaneous income	-	-	9,083	9,083
Interest income	-	-	8,486	8,486
Total revenues	<u>1,725,354</u>	<u>1,725,354</u>	<u>1,546,459</u>	<u>(178,895)</u>
Expenditures:				
Current -				
Advertising	4,000	4,000	7,527	(3,527)
Communications expense	-	-	9,473	(9,473)
Election expense	-	-	5,090	(5,090)
Fuel and vehicle expense	41,000	41,000	40,850	150
Insurance	69,000	69,000	60,884	8,116
Office	-	-	9,160	(9,160)
Pension expense	19,000	19,000	28,386	(9,386)
Professional fees	13,000	13,000	17,250	(4,250)
Repairs and maintenance	152,500	152,500	82,587	69,913
Salaries and related benefits	317,250	317,250	380,328	(63,078)
Salaries and related benefits - on-behalf	766,354	766,354	766,354	-
Supplies	26,000	26,000	22,787	3,213
Telephone	2,500	2,500	1,537	963
Training	-	-	18,911	(18,911)
Uniforms	-	-	16,920	(16,920)
Utilities	34,350	34,350	9,638	24,712
Volunteer firemen	-	-	4,013	(4,013)
Capital outlay	300,000	300,000	473,273	(173,273)
Debt service -				
Principal retirement	168,000	168,000	153,811	14,189
Interest	-	-	9,800	(9,800)
Total expenditures	<u>1,912,954</u>	<u>1,912,954</u>	<u>2,118,579</u>	<u>(205,625)</u>
Deficiency of revenues under expenditures	(187,600)	(187,600)	(572,120)	(384,520)
Other financing sources:				
Inception of capital lease	-	-	298,716	298,716
Net change in fund balance	(187,600)	(187,600)	(273,404)	(85,804)
Fund balance, beginning	<u>2,739,092</u>	<u>2,739,092</u>	<u>2,739,092</u>	-
Fund balance, ending	<u>\$2,551,492</u>	<u>\$2,551,492</u>	<u>\$2,465,688</u>	<u>\$ (85,804)</u>

See Independent Auditor's Report.

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Notes to the Required Supplementary Information

Budgets and Budgetary Accounting

The Evangeline Parish Ward One Fire Protection District No. 2 follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Secretary-Treasurer prepares a proposed budget and submits it to the District Board for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. 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.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. 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 Evangeline Parish Ward One Fire District board.

**SUPPLEMENTARY
INFORMATION**

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
Year Ended December 31, 2022

Agency Head Name: Chris Soileau, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 67,897
Benefits - payroll tax	1,067
Benefits - pension	22,741
Benefits - health insurance	9,050
Cell phone allowance	385
	<u>\$101,140</u>

See Independent Auditor's Report.

**INTERNAL CONTROL
AND COMPLIANCE**

James L. Nicholson, Jr., CPA
Michael A. Roy, CPA
Lisa Trouille Manuel, CPA
Dana D. Quebedeaux, CPA



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John S. Dowling, CPA - 1904-1984
John Newton Stout, CPA - 1936-2005
Chizal S. Fontenot, CPA - 1955-2012
Russell J. Stelly, CPA - 1942 - 2019
Harold Dupre, CPA - 1931-2019

Van L. Auld, CPA
Molly Fontenot Duplechain, CPA

Retired
Dwight Ledoux, CPA - 1998
Joel Lanclos, Jr., CPA - 2003
G. Kenneth Pavy, II, CPA - 2020

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

To the Board of Directors
Evangeline Parish Ward One Fire District No. 2
Ville Platte, 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 Evangeline Parish Ward One Fire District No. 2 (Fire District), a component unit of the Evangeline Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements and have issued our report thereon dated June 28, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fire 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 Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fire 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Board of Directors
Evangeline Parish Ward One Fire District No. 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fire 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings and Responses as item 2022-1.

The Fire District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Fire District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Fire District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John S. Dowling & Company

Opelousas, Louisiana
June 28, 2022

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Schedule of Findings and Responses
For the Year Ended December 31, 2022

Section I - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Evangeline Parish Ward One Fire District No. 2
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and on Other Matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. One instance of noncompliance relating to the audit of the financial statements was reported in the 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.
4. No management letter was issued for Evangeline Parish Ward One Fire District No. 2 as of and for the year ended December 31, 2022.
5. There was no single audit required under The Uniform Guidance.

Section II - INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL

None

COMPLIANCE

2022-1 Budget Amendment

Condition: The budget was not properly amended.

Criteria: Louisiana Local Government Budget Act (RS 39:1311(a)(2)) states that the budget be amended when actual expenditures are greater than budgeted expenditures by five percent or more.

Cause: The budget was not properly amended.

Effect: Actual expenditures exceeded budgeted expenditures by \$205,625 which is a variance of eleven percent.

Recommendation: The Fire District should consult and follow the Louisiana Local Government Budget Act.

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Schedule of Findings and Responses - Continued
For the Year Ended December 31, 2022

Response: We will try to ensure we follow all requirements of the Louisiana Local Government Budget Act.

Contact person: Joel Manual, Fire Chief

Section III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

N/A

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

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

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2021-1 Sexual Harassment Training

See Statewide Agreed-Upon Procedures

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

No findings.

AGREED UPON PROCEDURES



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Evangeline Parish Ward One Fire District No. 2
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022, through December 31, 2022. Evangeline Parish Ward One Fire District No. 2's management is responsible for those C/C areas identified in the SAUPs.

The Fire 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, 2022, through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
The Fire District has written policies and procedures addressing budgeting.
 - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
The Fire District has written policies and procedures addressing purchasing.
 - iii. **Disbursements**, including processing, reviewing, and approving
The Fire District has written policies and procedures addressing disbursements.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties,

To the Board of Directors of
Evangeline Parish Ward One Fire District No. 2
and the Louisiana Legislative Auditor:

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Fire District has written policies and procedures addressing receipts and collections.

- v. **Payroll/Personnel**, including (1) payroll processing, and (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.

The Fire District has written policies and procedures addressing payroll and personnel.

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

The Fire District has written policies and procedures addressing contracting.

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

The Fire District has written policies and procedures addressing travel and expense reimbursement.

- viii. **Credit Cards (and debit cards, fuel cards, purchase 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)

The Fire District does not have any written policies or procedures addressing credit cards.

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

The Fire District has written policies and procedures addressing ethics.

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

The Fire District does not have any written policies or procedures addressing debt service.

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

The Fire District has written policies or procedures addressing disaster recovery or business continuity.

To the Board of Directors of
Evangeline Parish Ward One Fire District No. 2
and the Louisiana Legislative Auditor:

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

The Fire District has written policies and procedures addressing the prevention of sexual harassment.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The board met monthly, but there was no quorum in the months of January and June of 2022.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

A monthly budget-to-actual comparison was not presented at the meetings.

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

The prior year general fund unassigned fund balance is not negative.

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

The board did not receive written updates of the progress of resolving audit findings.

3) Bank Reconciliations

- A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

To the Board of Directors of
Evangeline Parish Ward One Fire District No. 2
and the Louisiana Legislative Auditor:

No exceptions noted.

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

No exceptions noted.

- iii. 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.

There were no items outstanding for more than 12 months from the statement closing date.

4) Collections (excluding electronic funds transfer)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

There is only one deposit site and obtained management's representation that the listing is complete.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

- i. Employees that are responsible for cash collections do not share cash drawers/registers;

There is no cash register or drawer. Collections are mostly just ad valorem checks.

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

The employee responsible for collecting checks also makes bank deposits but is not responsible for preparing the bank reconciliation.

- iii. Each employee responsible for collecting cash is not also 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; and

No exceptions noted.

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

No exceptions noted.

To the Board of Directors of
Evangeline Parish Ward One Fire District No. 2
and the Louisiana Legislative Auditor:

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

The person collecting checks is not bonded.

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

- i. Observe that receipts are sequentially pre-numbered.
No exceptions noted.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions noted.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions noted.
- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
One of the five deposits was not made within the appropriate time frame.
- v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions noted.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Only one location processes payments.
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

To the Board of Directors of
Evangeline Parish Ward One Fire District No. 2
and the Louisiana Legislative Auditor:

All invoices are approved by the Board at monthly meetings. Board members are sometimes responsible for initiating purchases.

- ii. At least two employees are involved in processing and approving payments to vendors;
All invoices are approved by the Board at monthly meetings. Two Board signatures are required on checks.
- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
No exceptions noted.
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
The employee responsible for mailing checks is also responsible for processing payments but does not have signature authority. Checks require two board member signatures.
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
No exceptions noted.

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
No exceptions noted.
- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
No exceptions noted.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

The selected electronic disbursements were not approved in writing, but all disbursements are approved by board members at monthly meetings. Two board member signatures are required on checks.

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6) Credit Cards/Debit Cards/Fuel Cards/Purchase cards (Cards)

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

Obtained a listing of all active credit cards and management's representation that the list is complete.

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

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

There is no evidence of review or approval by someone other than the cardholder, but invoices are approved by the Board at monthly meetings.

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

No finance charges or late fees were assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

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

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

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

No exceptions noted.

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- ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
No travel expenses selected were reimbursed using actual costs.
- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policies and procedures procedure #1A(vii); and
No exceptions noted.
- iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
Reimbursements were not reviewed or approved in writing, but all expenses are approved by the Board at monthly meetings.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
The contract was not subject to the Louisiana Public Bid Law.
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
The contract was approved by the board at the monthly board meeting.
 - iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
No contracts were amended during the year.
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.
No exceptions noted.

9) Payroll and Personnel

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

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

Obtained list of employees during the fiscal period and management's representation that the list is complete.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions noted.

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

No exceptions noted.

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

None of the selected employees earn vacation or sick time.

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

No exceptions noted.

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

There were no employees terminated.

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

The employee and employer portions of payroll taxes and reporting forms were submitted to the applicable agencies by the required deadlines. The Fire District does not pay health insurance premiums.

10) Ethics

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

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- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
No exceptions noted.
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
The Fire District did not make any changes to the ethics policy in the fiscal period.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
An ethics designee has been appointed.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
No bonds or notes were issued.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
No bonds or notes were outstanding at the end of the fiscal period.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
There were no misappropriations of public funds or assets per management.
- B. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
The notice has been posted on the premises. The Fire District does not have a website.

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13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures:

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

No employees were terminated.

14) Prevention of Sexual Harassment

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

No exceptions noted.

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

The policy is posted on the premises. The Fire District does not have a website.

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

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

No exceptions noted. All of the above requirements of R.S. 42:344 were included in the report.

We were engaged by the Fire 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 Fire 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.

John S. Dowling & Company
Opelousas, Louisiana
June 13, 2023

Evangeline Parish Ward One Fire District No. 2
Ville Platte, Louisiana

Management Responses to Statewide Agreed-upon Procedures Exceptions
For the Year ending December 31, 2022

1. Written Policies and Procedures

- vii. Credit Cards
- x. Debt Service
 - The Fire District will develop policies and procedures for credit cards and debt service.

2. Board

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
 - The monthly budget-to-actual comparison and prior year audit finding updates are not presented due to the lack of time and attendance by board members at monthly meetings.

4. Collections

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - The Fire District does not feel that it is necessary for the employees to be bonded. In the future the District will try to make deposits within the appropriate time frame.