

EVANGELINE PARISH WARD ONE
FIRE DISTRICT NO. 2
Financial Report
Year Ended December 31, 2017

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1996
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1998
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2017, 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.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2017 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 24 be presented to supplement the basic financial statements. Such 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. 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 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Fire District. The accompanying schedule of compensation, benefits and other payments to agency head on page 27, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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.

To the Board of Directors
Evangeline Parish Ward One Fire District No. 2
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 5, 2018, 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 5, 2018 on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those controls and compliance areas identified in the Louisiana Legislative Auditor's state wide 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 5, 2018

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, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 747,311
Receivables, net	808,661
Prepaid expense	41,484
Capital assets, net	<u>1,912,686</u>
Total assets	<u>3,510,142</u>
LIABILITIES	
Accounts and other payables	<u>9,495</u>
NET POSITION	
Net investment in capital assets	1,912,686
Unrestricted	<u>1,587,961</u>
Total net position	<u>\$3,500,647</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
For the Year Ended December 31, 2017

Expenses:	
Public safety	<u>\$ 1,271,394</u>
General revenues:	
Ad valorem taxes	795,000
State revenue sharing	38,994
Fire insurance rebate	35,469
On-behalf payments	636,820
Miscellaneous	10,773
Interest and investment earnings	<u>2,194</u>
Total general revenues	<u>1,519,250</u>
Change in net position	247,856
Net position, January 1, 2017	<u>3,252,791</u>
Net position, December 31, 2017	<u>\$ 3,500,647</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, 2017

Assets:	
Cash and interest-bearing deposits	\$ 747,311
Receivables, net	808,661
Prepaid expense	<u>41,484</u>
Total assets	<u>\$1,597,456</u>
Liabilities:	
Accounts payable	\$ 9,209
Accrued liabilities	<u>286</u>
Total liabilities	9,495
Deferred inflows of resources:	
Unavailable revenues - property taxes and state revenue sharing	46,736
Fund balance:	
Unassigned	<u>1,541,225</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$1,597,456</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, 2017

Total fund balance for the governmental fund at December 31, 2017	\$ 1,541,225
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land	\$ 47,000
Equipment, net of \$1,437,064 accumulated depreciation	1,557,189
Buildings and improvements, net of \$191,216 accumulated depreciation	<u>308,497</u> 1,912,686
Revenues that have been deferred are unearned in the governmental funds but are recognized as revenue in the government-wide financial statements	<u>46,736</u>
Net position at December 31, 2017	<u>\$ 3,500,647</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
For the Year Ended December 31, 2017

Revenues:	
Ad valorem tax	\$ 790,408
State revenue sharing	39,201
Fire insurance rebate	35,469
On-behalf payments-City of Ville Platte	636,820
Miscellaneous income	10,773
Interest income	2,194
Total revenues	<u>1,514,865</u>
Expenditures:	
Current -	
Advertising	3,140
Election expense	1,629
Fuel	9,972
Insurance	40,132
Miscellaneous	1,605
Office	4,406
Pension expense	25,433
Professional fees	21,316
Repairs and maintenance	39,374
Salaries and related benefits	220,086
Salaries and related benefits - on-behalf	636,820
Supplies	55,673
Telephone	2,606
Training	3,431
Uniforms	12,389
Utilities	7,944
Volunteer firemen	4,097
Capital outlay	<u>507,292</u>
Total expenditures	<u>1,597,345</u>
Change in fund balance	(82,480)
Fund balance, beginning	<u>1,623,705</u>
Fund balance, ending	<u>\$1,541,225</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
For the Year Ended December 31, 2017

Total change in fund balance for the year ended December 31, 2017 per statement of revenues, expenditures and changes in fund balance			\$ (82,480)
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		\$ 507,292	
Depreciation expense		<u>(181,341)</u>	325,951
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>4,385</u>
Total change in net position per statement of activities			<u>\$ 247,856</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, liabilities, 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, liabilities, 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.

Use of Restricted Resources

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

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 estimated fair market 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. All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. There is no long-term debt at December 31, 2017.

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. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

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 (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- 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.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Fire District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Fire District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Fire District has provided otherwise in his 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 and liabilities 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. 45, Accounting and Financial Reporting by Employers 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, 2017, the Fire District has cash and interest-bearing deposits (book balances) totaling \$747,311 as follows:

Checking accounts	\$ 360,889
Savings accounts	<u>386,422</u>
Total	<u>\$ 747,311</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 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 pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2017, were secured as follows:

Bank balances	<u>\$ 788,988</u>
Federal deposit insurance	\$ 500,000
Pledged securities	<u>288,988</u>
Total	<u>\$ 788,988</u>

Deposits in the amount of \$288,988 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, 2017 are as follows:

	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
Land	\$ 7,000	\$ 40,000	\$ -	\$ 47,000
Equipment	2,526,961	467,292	-	2,994,253
Buildings and improvements	499,713	-	-	499,713
Total capital assets	3,033,674	507,292	-	3,540,966
Less: Accumulated depreciation	1,446,939	181,341	-	1,628,280
Net capital assets	\$ 1,586,735	\$ 325,951	\$ -	\$ 1,912,686

Depreciation expense of \$181,341 was charged to the public safety function for the year ending December 31, 2017.

(4) Ad Valorem Taxes and State Revenue Sharing

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 Evangeline Parish Sheriff in December. 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 Evangeline Parish Assessor and are collected by the Sheriff.

For the year ended December 31, 2017, taxes were levied at the rate of 11.16 mills on property with assessed valuations totaling \$71,340,441. Total taxes levied during 2017 were \$796,159. Ad valorem taxes receivable at December 31, 2017 was \$769,667 and there was no allowance for doubtful accounts necessary.

For the year ended December 31, 2017, state revenue sharing receivable was \$38,994 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, 2017:

Accounts	\$ 9,209
Accrued liabilities	286
Totals	\$ 9,495

EVANGELINE PARISH WARD ONE FIRE DISTRICT NO. 2
Ville Platte, Louisiana

Notes to the Required Supplementary Information

(6) 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 abated property taxes through the ITEP reduced revenue for the fire district in the amount of \$72,636 for the year ended December 31, 2017.

(7) 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.

(8) Litigation

There is no litigation pending against the Fire District at December 31, 2017.

(9) Board Members

Board members do not get paid for serving on the board. A list of board members as of December 31, 2017 is as follows:

Steve Thibodeaux
Daniel McDaniel
Shawn devillier
Ted Demoruelle
Nathaniel Thomas

(10) 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, 2017 totaled \$215,709. The City of Ville Platte's paid \$636,820 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.

EVANGELINE PARISH WARD ONE FIRE DISTRICT NO. 2
Ville Platte, Louisiana

Notes to the Required Supplementary Information

(11) Subsequent Events

The management of the Fire District has evaluated subsequent events through June 5, 2018 the date which the financial statements were available to be issued. In October 2017, the Fire District entered into a lease purchase agreement for a pumper/tanker for \$400,000 to be delivered in 2018 and payments for five years with the first payment due on delivery date.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem tax	\$ 590,000	\$ 590,000	\$ 790,408	\$ 200,408
State revenue sharing	35,700	35,700	39,201	3,501
Fire insurance rebate	32,640	32,640	35,469	2,829
On-behalf payments-City of Ville Platte	1,008,612	1,008,612	636,820	(371,792)
Miscellaneous income	-	-	10,773	10,773
Interest income	-	-	2,194	2,194
Total revenues	<u>1,666,952</u>	<u>1,666,952</u>	<u>1,514,865</u>	<u>(152,087)</u>
Expenditures:				
Current -				
Advertising	3,060	3,060	3,140	(80)
Election expense	-	-	1,629	(1,629)
Fuel	28,560	28,560	9,972	18,588
Insurance	61,200	61,200	40,132	21,068
Miscellaneous	-	-	1,605	(1,605)
Office	-	-	4,406	(4,406)
Pension expense	14,280	14,280	25,433	(11,153)
Professional fees	9,180	9,180	21,316	(12,136)
Repairs and maintenance	306,000	306,000	39,374	266,626
Salaries and related benefits	269,076	269,076	220,086	48,990
Salaries and related benefits - on-behalf	1,008,612	1,008,612	636,820	371,792
Supplies	18,360	18,360	55,673	(37,313)
Telephone	3,060	3,060	2,606	454
Training	-	-	3,431	(3,431)
Uniforms	-	-	12,389	(12,389)
Utilities	26,520	26,520	7,944	18,576
Volunteer firemen	-	-	4,097	(4,097)
Capital outlay	<u>579,000</u>	<u>579,000</u>	<u>507,292</u>	<u>71,708</u>
Total expenditures	<u>2,326,908</u>	<u>2,326,908</u>	<u>1,597,345</u>	<u>729,563</u>
Deficiency of revenues over expenditures	(659,956)	(659,956)	(82,480)	577,476
Fund balance, beginning	<u>1,623,705</u>	<u>1,623,705</u>	<u>1,623,705</u>	<u>-</u>
Fund balance, ending	<u>\$ 963,749</u>	<u>\$ 963,749</u>	<u>\$ 1,541,225</u>	<u>\$ 577,476</u>

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. Such amendments were not material in relation to the original appropriations.

**OTHER 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
For the Year Ended December 31, 2017

Agency Head Name: Christopher Harrison, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 66,299
Benefits - payroll tax	1,094
Benefits - pension	17,153
Benefits - health insurance	5,221
Cell phone allowance	420
	<u>\$ 90,187</u>

**INTERNAL CONTROL
AND COMPLIANCE**

James L. Nicholson, Jr., CPA
G. Kenneth Pavy, II, 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

Van L. Auld, CPA

Retired

Harold Dupre, CPA
1996
Dwight Ledoux, CPA
1998
Joel Lanclos, Jr., CPA
2003
Russell J. Stelly, CPA
2005

**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, 2017, 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 5, 2018.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 weakness may exist that have not been identified.

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 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 instances of noncompliance or other matter that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Responses as item 2017-1, 2017-2, and 2017-3.

Fire District's Response to Findings

The Fire District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Fire District's responses were not subjected to the auditing procedures applied in the audit of the financial statements, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John S. Dewling & Company
Opelousas, Louisiana
June 5, 2018

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

Schedule of Findings and Responses
For the Year Ended December 31, 2017

Section I - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified 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. Three instances of noncompliance relating to the audit of the financial statements were 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, 2017.
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

2017-1 Budget Presentation

Condition: The budget was not presented in the required format.

Criteria: The Louisiana Local Government Budget Act (RS 39:1305(c)(2)(a)) states that the budget must be presented in a specific format.

Cause: The budget was not properly presented.

Effect: The format required by the Louisiana Government Budget Act was not followed.

Recommendation: The budget should be presented in the proper format according to state law.

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

Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2017

Corrective Action Plan: We will try to ensure the budget is prepared in the proper format in the future.

Contact Person: Daniel McDaniel, Chairman of the Board

2017-2 Timely Adoption of Budget

Condition: The budget was not adopted before the end of the prior year for the General Fund.

Criteria: The Louisiana Local Government Budget Act (RS 39:1309A) requires that the budget be adopted before the end of the prior year.

Cause: The budget was adopted after the prior year end.

Effect: The budget was not adopted in a timely manner as required by state law.

Recommendation: The Fire District should adopt a budget in a timely manner.

Corrective Action Plan: The budget was adopted timely for the current year and we will try to make sure the budget is adopted timely in the future.

Contact Person: Daniel McDaniel, Chairman of the Board

2017-3 Budget Amendment

Condition: The budget was not amended.

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

Cause: The budget was not amended.

Effect: Budgeted revenues exceeded actual revenues by \$152,087 which is a variance of ten percent.

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

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

Contact person: Daniel McDaniel, Chairman of the Board.

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, 2017

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

2016-1 Budget Presentation

Unresolved

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

No findings.

AGREED UPON PROCEDURES

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



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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, which were agreed to by Evangeline Parish Ward One Fire District No. 2 (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

There are no written policies and procedures addressing budgeting.

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.

There are no written policies and procedures addressing purchasing.

c) **Disbursements**, including processing, reviewing, and approving

There are no written policies and procedures addressing disbursements.

d) **Receipts**, including receiving, recording, and preparing deposits

There are no written policies and procedures addressing receipts.

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

There are no written policies and procedures addressing payroll/personnel.

- 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

There are no written policies and procedures addressing contracting.

- 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, and (5) monitoring card usage

There are no written policies and procedures addressing credit cards.

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

There are no written policies and procedures addressing travel and expense reimbursement.

- 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) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

There are no written policies and procedures addressing ethics.

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

There are no written policies and procedures addressing debt service.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The board met (with a quorum) every month except December 2017.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

➤ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

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

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

A contract was approved at the April 2017 meeting.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

We were provided with the list from management and management's representation that the list is complete.

- 4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Bank reconciliations were prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

The bank reconciliations were prepared by a CPA firm and did not contain evidence that a member of management or board member reviewed the bank reconciliations.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

There were no reconciling items that had been outstanding for more than 6 months.

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

There is only one cash collection location and obtained management's representation that the listing is complete.

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The person collecting cash is not bonded and is also responsible for depositing the cash in the bank. This person does not record the transaction and does not reconcile the bank accounts. There is no cash register or drawer.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

There is no formal process to reconcile cash collections to the general ledger.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The deposits were not made within one business day. The deposits were for ad valorem taxes collected in two months but there was no date stamped for collection date.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

The cash collections were completely supported by documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

There is no written documentation or specific process to determine completeness of collections. A CPA firm records all transactions in the general ledger and reconciles bank accounts.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

To the Board of Directors of
Evangeline Parish Ward One Fire District No. 2
and the Louisiana Legislative Auditor:
Page 5

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Obtained the general ledger and management's representation that the general ledger population is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

The Fire District does not use a requisition/purchase or electronic system. All purchases were approved by the Board at monthly meetings.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

All invoices were approved by the Board at monthly meetings.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

The Fire District does not use a requisition/purchase or electronic system. All purchases were approved by the Board at monthly meetings.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The Fire District does not have a purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The Board members have signature authority. Two signatures are required to sign checks. Board members do not record purchases but are sometimes responsible for initiating purchases.

To the Board of Directors of
Evangeline Parish Ward One Fire District No. 2
and the Louisiana Legislative Auditor:
Page 6

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

No exceptions to report.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No signature stamp or machine is used.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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 the list of all active credit cards and management's representation that the list is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

There was supporting documentation but no approval in writing. The Board approves all disbursements at monthly meetings. The credit card is not issued to a Board Member.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

There were no finance charges and/or late fees assessed on the selected statement.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

To the Board of Directors of
Evangeline Parish Ward One Fire District No. 2
and the Louisiana Legislative Auditor:
Page 7

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

The transaction was supported by an original itemized receipt and documentation of business purpose.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

The Fire District does not have written purchasing/disbursement policies and the Louisiana Public Bid Law did not apply.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exception to report.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Obtained the general ledger and management's representation that the listing is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

The Fire District does not have written policies related to travel and expense reimbursements.

To the Board of Directors of
Evangeline Parish Ward One Fire District No. 2
and the Louisiana Legislative Auditor:
Page 8

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

The Fire District does not have written policies related to travel and expense reimbursement. No reimbursements exceeded GSA rates.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Each expense was supported by original receipts that identified precisely what was purchased and the business purpose.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exception to report.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The board approves invoices at monthly meetings but not each one in writing.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Obtained a listing of all contracts in effect during the year and management's representation that the list was complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

There are formal written contracts that support the services arrangement and the amount paid.

b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

➤ If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

➤ If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

The contracts did not fall under the Louisiana Public Bid Law. The Fire District did not solicit quotes.

c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

The contacts were not amended.

d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

The invoices and related payments complied with the terms and conditions of the contract.

e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

The Board approved them in the minutes of monthly board meetings.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Obtained the listing of employee and related salary and management's representation that the listing is complete.

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- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions to report.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No changes were made during the year.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether 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) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

There is only one part time employee on salary so there are no attendance records and the employee does not earn any leave.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

There were no terminated employees.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the 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 have a retirement plan.

Ethics (excluding nonprofits)

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

The one part time employee has ethics training through full time employment with another governmental employer. The Fire District does not maintain those records.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

No ethics violations were reported during the year.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

No debt was issued during the year.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

There was no outstanding debt during the year.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

There is no tax millage related to debt service.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

There were no misappropriations of public funds or assets per management.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The notice was posted on the premises. The Fire District does not have a website.

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33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions were noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, 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.

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

John S. Dowling & Company

Opelousas, Louisiana
June 5, 2018