

EVANGELINE PARISH WARD ONE
FIRE DISTRICT NO. 2
Financial Report
Year Ended December 31, 2020

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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, 2020, 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, 2020 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 May 5, 2021, 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.

A handwritten signature in cursive script that reads "John S. Dowling & Company". The signature is written in black ink and is positioned above the typed name and date.

Opelousas, Louisiana
May 5, 2021

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, 2020

| | Governmental Activities |
|--|----------------------------|
| ASSETS | |
| Cash and interest-bearing deposits | \$ 1,551,544 |
| Receivables | 917,630 |
| Capital assets, net | <u>2,069,970</u> |
| Total assets | <u>4,539,144</u> |
| LIABILITIES | |
| Accounts and other payables | 28,460 |
| Long-term liabilities: | |
| Portion due within one year - Capital lease payable | 79,992 |
| Portion due after one year - Capital lease payable | <u>82,234</u> |
| Total liabilities | <u>190,686</u> |
| NET POSITION | |
| Net investment in capital assets | 1,907,744 |
| Unrestricted | <u>2,440,714</u> |
| Total net position | <u>\$4,348,458</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, 2020

| | |
|----------------------------------|---------------------------|
| Expenses: | |
| Public safety | \$ 1,317,211 |
| Interest on long-term debt | <u>5,985</u> |
| Total expenses | <u>1,323,196</u> |
| General revenues: | |
| Ad valorem taxes | 908,711 |
| State revenue sharing | 37,925 |
| Fire insurance rebate | 32,056 |
| On-behalf payments | 639,055 |
| Interest and investment earnings | <u>15,252</u> |
| Total general revenues | <u>1,632,999</u> |
| Change in net position | 309,803 |
| Net position, January 1, 2020 | <u>4,038,655</u> |
| Net position, December 31, 2020 | <u><u>\$4,348,458</u></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, 2020

| | |
|--|--------------------|
| Assets: | |
| Cash and interest-bearing deposits | \$1,551,544 |
| Receivables | <u>917,630</u> |
| Total assets | <u>\$2,469,174</u> |
| Liabilities: | |
| Accounts payable | \$ 28,097 |
| Accrued liabilities | <u>363</u> |
| Total liabilities | 28,460 |
| Deferred inflows of resources: | |
| Unavailable revenues - property taxes and state revenue sharing | 342,069 |
| Fund balance: | |
| Unassigned | <u>2,098,645</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$2,469,174</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, 2020

| | |
|--|--------------------------|
| Total fund balance for the governmental fund at December 31, 2020 | \$2,098,645 |
| 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 \$1,741,470 accumulated depreciation | 1,715,998 |
| Buildings and improvements, net of \$252,546 accumulated depreciation | <u>306,972</u> 2,069,970 |
| 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: | |
| Capital lease payable | (162,226) |
| Revenues that have been deferred are unearned in the governmental funds but are recognized as revenue in the government-wide financial statements | <u>342,069</u> |
| Net position at December 31, 2020 | <u>\$4,348,458</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, 2020

| | |
|---|--------------------|
| Revenues: | |
| Ad valorem tax | \$ 612,306 |
| State revenue sharing | 38,251 |
| Fire insurance rebate | 32,056 |
| On-behalf payments - City of Ville Platte | 639,055 |
| Interest income | <u>15,252</u> |
| Total revenues | <u>1,336,920</u> |
| Expenditures: | |
| Current - | |
| Advertising | 1,730 |
| Communications expense | 7,375 |
| Fuel | 26,299 |
| Insurance | 45,012 |
| Office | 2,239 |
| Pension expense | 29,253 |
| Professional fees | 15,420 |
| Rent - tower | 1,320 |
| Repairs and maintenance | 50,370 |
| Salaries and related benefits | 265,900 |
| Salaries and related benefits - on-behalf | 639,055 |
| Supplies | 25,341 |
| Telephone | 1,396 |
| Training | 2,932 |
| Uniforms | 3,838 |
| Utilities | 7,782 |
| Volunteer firemen | 4,175 |
| Capital outlay | 318,750 |
| Debt service - | |
| Principal retirement | 78,037 |
| Interest | <u>5,985</u> |
| Total expenditures | <u>1,532,209</u> |
| Net change in fund balance | (195,289) |
| Fund balance, beginning | <u>2,293,934</u> |
| Fund balance, ending | <u>\$2,098,645</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, 2020

| | | |
|---|------------------|-------------------|
| Total change in fund balance for the year ended December 31, 2020 per statement of revenues, expenditures and changes in fund balance | | \$(195,289) |
| 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 | \$ 318,750 | |
| Depreciation expense | <u>(187,774)</u> | 130,976 |
| Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position | | 78,037 |
| 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>296,079</u> |
| Total change in net position per statement of activities | | <u>\$ 309,803</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, 2020 consists of a capital lease.

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, 2020, the Fire District has cash and interest-bearing deposits (book balances) totaling \$1,551,544 as follows:

| | |
|---------------------------|--------------------|
| Demand deposits | \$ 313,181 |
| Time and savings deposits | <u>1,238,363</u> |
| Total | <u>\$1,551,544</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, 2020, were secured as follows:

| | |
|---------------------------|--------------------|
| Bank balances | <u>\$1,559,085</u> |
| Federal deposit insurance | \$ 500,000 |
| Pledged securities | <u>1,059,085</u> |
| Total | <u>\$1,559,085</u> |

Deposits in the amount of \$1,059,085 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, 2020 are as follows:

| | Balance 1/1/2020 | Additions | Deletions | Balance 12/31/2020 |
|--------------------------------|---------------------|-------------------|-------------|-----------------------|
| Land | \$ 47,000 | \$ - | \$ - | \$ 47,000 |
| Equipment | 3,138,719 | 318,750 | - | 3,457,469 |
| Buildings and improvements | 559,517 | - | - | 559,517 |
| Total capital assets | 3,745,236 | 318,750 | - | 4,063,986 |
| Less: Accumulated depreciation | 1,806,242 | 187,774 | - | 1,994,016 |
| Net capital assets | <u>\$1,938,994</u> | <u>\$ 130,976</u> | <u>\$ -</u> | <u>\$2,069,970</u> |

Depreciation expense of \$187,774 was charged to the public safety function for the year ending December 31, 2020.

(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, 2020, taxes were levied at the rate of 11.20 mills on property with assessed valuations totaling \$81,856,460. Total taxes levied during 2020 were \$916,791. Ad valorem taxes receivable at December 31, 2020 was \$879,706 and there was no allowance for doubtful accounts necessary.

For the year ended December 31, 2020, state revenue sharing receivable was \$37,924 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, 2020:

| | |
|---------------------|-----------------|
| Accounts | \$28,097 |
| Accrued liabilities | <u>363</u> |
| Totals | <u>\$28,460</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, 2020:

| | Balance 1/1/2020 | Additions | Reductions | Balance 12/31/2020 | Due Within One Year |
|--------------------------|---------------------|-------------|------------------|-----------------------|------------------------|
| Governmental activities: | | | | | |
| Capital leases | <u>\$ 240,263</u> | <u>\$ -</u> | <u>\$ 78,037</u> | <u>\$ 162,226</u> | <u>\$ 79,992</u> |

Capital lease payable at December 31, 2020 is comprised of the following:

| | Original Amount | Maturity Date | Interest Rate | Balance Outstanding |
|----------------|--------------------|------------------|------------------|------------------------|
| Fire equipment | <u>\$ 383,190</u> | 11/28/2022 | 3.192% | <u>\$ 162,226</u> |

The District is obligated under one capital lease for a fire truck. The leased asset is recorded in capital assets at a cost of \$383,190, with accumulated depreciation at December 31, 2020 in the amount of \$74,509. 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, 2020.

| Fiscal Year | |
|---|-------------------|
| 2021 | \$ 84,022 |
| 2022 | 84,022 |
| 2023 | <u>260</u> |
| Total minimum lease payments | 168,304 |
| Less amount representing interest | <u>(6,078)</u> |
| Present value of minimum lease payments | <u>\$ 162,226</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 \$65,791 for the year ended December 31, 2020.

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, 2020.

(10) Board Members

Board members do not get paid for serving on the board. A list of board members as of December 31, 2020 is as follows:

Steve Thibodeaux
Daniel McDaniel
Shawn Devillier
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, 2020 totaled \$261,256. The City of Ville Platte paid \$639,055 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) Subsequent Events

Subsequent events were evaluated through May 5, 2021, which is the date the financial statements were available to be issued. In March 2021, the Fire District entered into a state contract with financing through a lease purchase agreement for a new tanker for \$419,111 to be delivered in December 2021 with a down payment of \$121,290 due on delivery date. Additional payments will be made annually for four years.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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

Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2020

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|--------------------|---|
| | Original | Final | | (Negative) |
| Revenues: | | | | |
| Ad valorem tax | \$ 750,000 | \$ 750,000 | \$ 612,306 | \$ (137,694) |
| State revenue sharing | 34,600 | 34,600 | 38,251 | 3,651 |
| Fire insurance rebate | 31,000 | 31,000 | 32,056 | 1,056 |
| On-behalf payments-City of Ville Platte | - | 639,055 | 639,055 | - |
| Interest income | - | - | 15,252 | 15,252 |
| Total revenues | <u>815,600</u> | <u>1,454,655</u> | <u>1,336,920</u> | <u>(117,735)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Advertising | 3,450 | 3,450 | 1,730 | 1,720 |
| Communications expense | - | - | 7,375 | (7,375) |
| Fuel and vehicle expense | 36,500 | 36,500 | 26,299 | 10,201 |
| Insurance | 61,500 | 61,500 | 45,012 | 16,488 |
| Office | - | - | 2,239 | (2,239) |
| Pension expense | 16,000 | 16,000 | 29,253 | (13,253) |
| Professional fees | 10,500 | 10,500 | 15,420 | (4,920) |
| Rent - tower | - | - | 1,320 | (1,320) |
| Repairs and maintenance | 145,000 | 145,000 | 50,370 | 94,630 |
| Salaries and related benefits | 276,000 | 276,000 | 265,900 | 10,100 |
| Salaries and related benefits - on-behalf | - | 639,055 | 639,055 | - |
| Supplies | 23,000 | 23,000 | 25,341 | (2,341) |
| Telephone | 2,500 | 2,500 | 1,396 | 1,104 |
| Training | - | - | 2,932 | (2,932) |
| Uniforms | - | - | 3,838 | (3,838) |
| Utilities | 27,800 | 27,800 | 7,782 | 20,018 |
| Volunteer firemen | - | - | 4,175 | (4,175) |
| Capital outlay | 340,000 | 340,000 | 318,750 | 21,250 |
| Debt service - | | | | |
| Principal retirement | 78,000 | 78,000 | 78,037 | (37) |
| Interest | 10,000 | 10,000 | 5,985 | 4,015 |
| Total expenditures | <u>1,030,250</u> | <u>1,669,305</u> | <u>1,532,209</u> | <u>137,096</u> |
| Net change in fund balance | (214,650) | (214,650) | (195,289) | 19,361 |
| Fund balance, beginning | <u>2,293,934</u> | <u>2,293,934</u> | <u>2,293,934</u> | <u>-</u> |
| Fund balance, ending | <u>\$2,079,284</u> | <u>\$2,079,284</u> | <u>\$2,098,645</u> | <u>\$ 19,361</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.

**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
Year Ended December 31, 2020

Agency Head Name: Christopher Harrison, Fire Chief (Jan - Apr 2020)

| <u>Purpose</u> | <u>Amount</u> |
|-----------------------------|------------------|
| Salary | \$ 32,687 |
| Benefits - payroll tax | 539 |
| Benefits - pension | 5,717 |
| Benefits - health insurance | 1,735 |
| Cell phone allowance | 105 |
| | <u>\$ 40,783</u> |

Agency Head Name: Fabian Poullard, Fire Chief (Apr - Nov 2020)

| <u>Purpose</u> | <u>Amount</u> |
|-----------------------------|------------------|
| Salary | \$ 37,758 |
| Benefits - payroll tax | 603 |
| Benefits - pension | 11,486 |
| Benefits - health insurance | 4,688 |
| Cell phone allowance | 315 |
| | <u>\$ 54,850</u> |

Agency Head Name: Chris Soileau, Fire Chief (Dec 2020)

| <u>Purpose</u> | <u>Amount</u> |
|-----------------------------|-----------------|
| Salary | \$ 4,753 |
| Benefits - payroll tax | 73 |
| Benefits - pension | 1,521 |
| Benefits - health insurance | 654 |
| | <u>\$ 7,001</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



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

Van L. Auld, CPA

JOHN S. DOWLING & COMPANY
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
www.jsdc-cpas.com

Retired

Harold Dupre, CPA - 1996
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, 2020, 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 May 5, 2021.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified.. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 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 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 2020-1, 2020-2, 2020-3 and 2020-4.

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. Dowling & Company

Opelousas, Louisiana
May 5, 2021

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

Schedule of Findings and Responses
For the Year Ended December 31, 2020

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. Four 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, 2020.
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

2020-1 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.

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

Contact Person: Chris Soileau, Fire Chief

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

Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2020

2020-2 Sexual Harassment Policy

Condition: A sexual harassment policy was not adopted by the board.

Criteria: The Louisiana Revised Statute (RS 42:341-344) states that each agency head must adopt a sexual harassment policy, containing certain required language, and compile an annual report containing information regarding the agency's compliance.

Cause: A sexual harassment policy was not adopted by the board. The employees of the district are paid through the City of Ville Platte; therefore, they follow the City's sexual harassment policy. The board members do not have a sexual harassment policy to follow.

Effect: The policy required by the Louisiana Revised Statute was not adopted and the reporting requirements were not met.

Recommendation: A sexual harassment policy should be adopted in order for the board members to have a policy to follow, and an annual report should be compiled.

Corrective Action Plan: A sexual harassment policy will be adopted, and the annual report will be compiled.

Contact Person: Chris Soileau, Fire Chief

2020-3 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 revenues are less than budgeted revenues by five percent or more.

Cause: The budget was not properly amended.

Effect: Actual revenues were less than budgeted revenues by \$117,735 which is a variance of eight 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: Chris Soileau, Fire Chief

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

Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2020

2020-4 Timely Adoption of Budget

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

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

Cause: The budget was adopted after the 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.

Response: 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: Chris Soileau, 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, 2020

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

2019-1 Budget Presentation

Unresolved

2019-2 Sexual Harassment Policy

Unresolved

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

No findings.