

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT**

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

**December 31, 2020**

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# Langley, Williams & Company, L.L.C.

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2020 and related notes to the financial statements, which collectively comprise of the 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.

### Auditors' 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. 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 of the Calcasieu Parish Ward 7 Fire Protection District No. 1 of 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.

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

**Other Matters**

*Required Supplementary Information*

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

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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2021, on our consideration of the District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

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



Lake Charles, Louisiana  
June 24, 2021

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

**STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
December 31, 2020**

**ASSETS**

Cash and cash equivalents	\$ 3,268,039
Ad valorem tax receivable, net of allowance for doubtful accounts \$16,952	665,378
Accrued interest receivable	367
Prepaid insurance	5,033
Land and other capital assets not being depreciated	3,931
Capital assets, net of accumulated depreciation	1,949,576
Restricted cash	430,067
	430,067
Total assets	6,322,391

**LIABILITIES**

Accounts payable	131,318
Payroll taxes payable	726
Ad valorem pension payable	20,624
Accrued interest	11,688
Deferred revenue	128,198
Long-term liabilities:	
Bond payable--	
Portion due within one year	50,000
Portion due after one year	1,135,000
	1,135,000
Total liabilities	1,477,554

**NET POSITION**

Investment in capital assets	1,953,507
Restricted	430,067
Unrestricted	2,461,263
	2,461,263
Total net position	\$ 4,844,837

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
For the Year Ended December 31, 2020**

Function/Programs	Expenses	Program Revenues			Governmental Activities - Net (Expenses) Revenues and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants, and Contributions	
Governmental activities:					
General government	\$ 1,060,149	\$ -	\$ -	\$ -	\$ (1,060,149)
Total Government Activities	\$ 1,060,149	\$ -	\$ -	\$ -	(1,060,149)
General revenues:					
Ad valorem taxes					636,279
State revenue sharing					6,897
Fire tax rebate					11,581
Interest					23,135
Gain on sale of capital assets					9,401
Miscellaneous					8,117
					Total general revenues
					695,410
					Change in net position
					(364,739)
					Net position - beginning of year
					5,209,576
					Net position - end of year
					\$ 4,844,837

The accompanying notes are an integral part of this statement.



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

**GOVERNMENTAL FUND  
BALANCE SHEET  
December 31, 2020**

	General Fund	Debt Service Fund	Total Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 3,268,039	\$ -	\$ 3,268,039
Ad valorem tax receivable, net of allowance for doubtful accounts \$16,952	575,651	89,727	665,378
Accrued interest receivable	367		367
Prepaid insurance	5,033		5,033
Due from other fund	-	209	209
Restricted cash	-	430,067	430,067
	\$ 3,849,090	\$ 520,003	\$ 4,369,093
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 131,318	\$ -	\$ 131,318
Payroll taxes payable	726	-	726
Ad valorem pension payable	17,787	2,839	20,626
Deferred revenue	128,198	-	128,198
Due to other fund	209	-	209
Total liabilities	278,238	2,839	281,077
Fund balance:			
Restricted:			
Debt service	-	115,445	115,445
Other capital projects	-	401,721	401,721
Unassigned	3,570,852	-	3,570,852
	3,570,852	517,164	4,088,016
Total liabilities and fund balance	\$ 3,849,090	\$ 520,003	\$ 4,369,093

The accompanying notes are an integral part of this statement.

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

**RECONCILIATION OF FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION  
December 31, 2020**

FUND BALANCE OF GOVERNMENTAL FUNDS		\$ 4,088,016
<p>Amounts reported for governmental activities in the Statement of Net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, not reported in the funds.</p>		
Land	\$ 3,931	
Cost of capital assets	4,888,426	
Less - accumulated depreciation	<u>(2,938,850)</u>	1,953,507
<p>Long-term liabilities at December 31, 2020</p>		
Bonds payable	(1,185,000)	
Accrued interest	<u>(11,686)</u>	<u>(1,196,686)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 4,844,837</u>

The accompanying notes are an integral part of this statement.



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

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - GOVERNMENTAL FUND**  
**Year Ended December 31, 2020**

	General Fund	Debt Service Fund	Total Governmental Funds
Revenue:			
Ad valorem taxes	\$ 550,022	\$ 86,257	\$ 636,279
State revenue sharing	6,897	-	6,897
Fire tax rebate	11,581	-	11,581
Interest	11,367	11,769	23,136
Proceeds from sale of capital assets	9,550	-	9,550
Miscellaneous	8,117	-	8,117
Total revenues	<u>597,534</u>	<u>98,026</u>	<u>695,560</u>
Expenditures:			
Current:			
General government	828,675	826	829,501
Capital outlay	64,590	-	64,590
Debt service:			
Principal retirement	-	35,000	35,000
Interest	-	49,998	49,998
Total expenditures	<u>893,265</u>	<u>85,824</u>	<u>979,089</u>
Excess of revenues over expenditures	(295,731)	12,202	(283,529)
Other financing sources (uses):			
Transfer in	470,597	-	470,597
Transfer out	-	(470,597)	(470,597)
Total other financing sources (uses)	<u>470,597</u>	<u>(470,597)</u>	<u>-</u>
Net change in fund balances	174,866	(458,395)	(283,529)
Fund balance at beginning of year	<u>3,395,986</u>	<u>975,559</u>	<u>4,371,545</u>
Fund balance at end of year	<u>\$ 3,570,852</u>	<u>\$ 517,164</u>	<u>\$ 4,088,016</u>

The accompanying notes are an integral part of this statement.

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2020**

Total net change in fund balance - governmental funds \$ (283,529)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.

Capital outlays	\$ 64,590	
Depreciation expense	<u>(194,705)</u>	(130,115)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

14,054

Governmental funds report proceeds from the sales of capital assets. However, in the statement of activities, the gain on the disposal of capital assets is reported. The change in net assets differs from the change in fund balance by the carrying value of capital assets disposed.

Proceeds from sale of capital assets	\$ (9,550)	
Gain on sale of capital assets	<u>9,401</u>	(149)

Repayment of bond principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position

35,000

Change in net position of governmental activities \$ (364,739)

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

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

Calcasieu Parish Ward 7 Fire Protection District No. 1 (“District”) was created under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the people of Ward 7 of Calcasieu Parish. The district is governed by a board of five commissioners appointed by the Calcasieu Parish Police Jury.

**Reporting Entity**

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

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

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

Because the police jury financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship, the District was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

**Basis of Presentation**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Basis of Presentation – (Continued)**

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

*Government-Wide Financial Statements*

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

*Governmental Fund Financial Statements*

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District's functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are classified into one category, governmental fund. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

**Basis of Accounting/Measurement Focus**

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District's operations.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

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

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

The amounts reflected in the governmental fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The government-wide financial statements are accounted for using an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

The government-wide financial statements 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. The governmental funds use the following practices in recording revenues and expenditures:

*Revenues*

Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis, become due on November 15 of each year, and become delinquent by December 31. The taxes are normally collected in December, January, and February of the fiscal year. Intergovernmental revenues and fees, charges, and commissions for services are recorded when the District is entitled to the funds. Interest income on deposits is recorded when interest is earned. Substantially all other revenues are recorded when received.

*Expenditures*

The District’s primary expenditures include salaries, supplies and insurance, which are recorded when the liability is incurred. Capital expenditures and purchase of various operating supplies are regarded as expenditures at the time purchased.

*Other Financing Sources (Uses)*

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

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

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

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

*Deferred Revenues*

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

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

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

**Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

**Ad Valorem Tax Receivable**

Receivables consist of all revenues earned at year-end and not yet received. Receivables are reported net of allowance for uncollectible accounts and revenues net of uncollectibles. Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. The allowance for uncollectible accounts at December 31, 2020, was \$16,952.

**Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The District maintains a threshold level of \$1,500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Building and building improvements	10 – 50 years
Equipment	5 – 20 years
Furniture and fixtures	5 – 7 years

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

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Restricted Cash**

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

**Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of fund net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

**Equity Classification**

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of assets with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

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

**Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.



**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Fund Balance Classification – (Continued)**

- b. Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District. The District board is the highest level of decision-making authority for the District. These amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- d. Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed.
- e. Unassigned: includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

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

**Budget Practices**

- 1. The proposed budget is prepared and submitted to the Advisory Board for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- 2. The proposed budget is made available for public inspection.
- 3. The budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- 4. All budgetary appropriations lapse at the end of each fiscal year.
- 5. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Estimates**

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

**Compensated Absences**

Compensated absences for sick and personal time have not been accrued since they cannot be reasonably estimated. The District policy is to recognize cost when actually paid.

**Date of Management’s Review of Subsequent Events**

Subsequent events were evaluated through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

**Recently Issued Accounting Pronouncements**

In June 2017, GASB issued Statement No. 87, “*Leases*.” The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. GASB Statement 95 has postponed the effective date by eighteen months in light of COVID-19 pandemic. The provisions of GASB Statement No. 87 and 95 are effective for fiscal years beginning after June 15, 2021. The effect of implementation on the District’s financial statements has not yet been determined.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2020, the District has cash and cash equivalents (book balances) totaling \$3,698,105.

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

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – CASH AND CASH EQUIVALENTS – (Continued)**

At December 31, 2020, the District has \$3,718,335 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$4,554,887 of pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

**NOTE 3 – AD VALOREM TAXES**

Accounting principles generally accepted in the United State of America for government prescribe a modified accrual basis to be applied to property tax revenues. An assessment is made to finance the budget of a particular period and the revenue produced from any property tax assessment should be recognized in the fiscal period for which it was provided (budgeted) and for which the collections are reasonably available.

For the year ended December 31, 2020, taxes of 11.63 mills were levied on property with assessed valuations totaling approximately \$56,820,773. Total taxes levied for the year ended December 31, 2020 were \$660,826.

Expected collections and collections of the 2020 levy are accrued as receivable and as revenue in the current year (2020). For budget purposes, property taxes collected in 2020 are designated as revenue appropriable in the 2020 budget year.

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

	Authorized Millage	Levied Millage	Expiration Date	Tax Amount
Maintenance	10.03	10.03	2027	\$ 88,804
Sinking	1.60	1.60	2038	592,027
	11.63	11.63		\$ 680,831

During the year, the tax assessor made adjustments to decrease previous year taxpayer valuations of \$24,680 worth of taxes. This amount was net against current year ad valorem taxes along with \$518 worth of prior year tax refunds. The District also made a \$3,449 decrease adjustment to their allowance for uncollectible taxes that management deemed necessary.

The parish bills and collects its property taxes using the assessed values determined by the Calcasieu Parish Tax Assessor.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – CAPITAL ASSETS**

A summary of changes in capital assets for the year ended December 31, 2020, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,931	\$ -	\$ -	\$ 3,931
Total capital assets not being depreciated	<u>\$ 3,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,931</u>
Capital assets being depreciated:				
Building	\$ 535,208	\$ -	\$ (5,014)	\$ 530,194
Building improvements	134,064	7,402	-	141,466
Furniture & fixtures	10,745	-	-	10,745
Equipment	4,191,186	57,188	(42,353)	4,206,021
Total capital assets being depreciated	4,871,203	64,590	(47,367)	4,888,426
Less accumulated depreciation				
Building	(322,435)	(10,686)	4,868	(328,253)
Building improvements	(105,236)	(2,744)	-	(107,980)
Furniture & fixtures	(10,465)	(134)	-	(10,599)
Equipment	(2,353,227)	(181,141)	42,350	(2,492,018)
Total accumulated depreciation	<u>(2,791,363)</u>	<u>(194,705)</u>	<u>47,218</u>	<u>(2,938,850)</u>
Total capital assets being depreciated, net	<u>\$ 2,079,840</u>	<u>\$ (130,115)</u>	<u>\$ (149)</u>	<u>\$ 1,949,576</u>

Depreciation expense for the year ended December 31, 2020, was charged to governmental activity in the amount of \$194,705.

**NOTE 5 – RESTRICTED CASH**

The District maintains a sinking fund reserve bank account with a balance of \$430,067 as of December 31, 2020 which is controlled by Merchant and Farmers Bank. See note 6 for more details.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – BOND PAYABLE**

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

**A. Debt Outstanding**

The following is a summary of the debt transactions of the District for the year ended December 31, 2020:

Bond payable, December 31, 2019	\$	1,220,000
Bond repaid		(35,000)
Bond issued		-
Bond payable, December 31, 2020		\$ 1,185,000

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

\$1,220,000 general obligation bond dated April 18, 2019, due in annual installments of \$35,000 - \$80,000 through March 1, 2039, interest at 3.0% - 3.4%		\$ 1,185,000
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**B. Debt Service Requirement to Maturity**

The annual requirements, including interest, to amortize the bonds outstanding as of December 31, 2020 are as follows:

	Principal	Interest
Year Ending December 31,		
2021	\$ 50,000	\$ 35,090
2022	\$ 50,000	\$ 33,590
2023	\$ 50,000	\$ 32,090
2024	\$ 55,000	\$ 30,715
2025	\$ 55,000	\$ 30,715
2026-2039	\$ 925,000	\$ 302,320

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

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

**C. Sinking Fund Requirement**

The initial bond proceeds were deposited into a sinking fund, all disbursements for the purchase of fire hydrants and water lines are to come out of this account. The balance in the sinking fund pertaining to the bond proceeds at December 31, 2020 was \$394,574.

The Bond also requires the District to make ad valorem tax deposits into this sinking fund. Ad valorem taxes will be levied on property of the District at 1.6 mills. These taxes will be used for the principal and interest payments on the bond payable described above. The balance of the sinking fund at December 31, 2020 for bond repayment is \$35,493.

**NOTE 7 – COMMITMENT**

As of December 31, 2020, the District has a remaining commitment of \$394,574 to purchase fire hydrants and water lines pertaining to the bond issue described in Note 6.

**NOTE 8 – RISK MANAGEMENT**

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

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

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

As provided by Louisiana Revised Statute 40:1498, each commissioner received \$100 per diem for attending regular monthly meetings and special meetings. A summary of paid per diems for the year ended December 31, 2020 is as follows:

	2020
Guy L. Renfrow	\$ 1,100
Stephen A. Smith	1,100
Jerry C. Nichols	1,200
Kent Ledoux	1,100
Harold Pickett	1,200
	\$ 5,700

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1**  
**CALCASIEU PARISH POLICE JURY**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

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

For the year ended December 31, 2020, actual expenditures exceeded budgeted expenditures by more than 5%. State law requires that actual expenditures fall within 5% of budget.

For the year ended December 31, 2020, budgeted revenues exceeded actual revenues by more than 5%. State law requires that actual expenditures fall within 5% of budget.

**NOTE 11 – CASUALTY LOSS**

The District was impacted by Hurricanes Laura and Delta when they made landfall in August and October 2020, respectively. As a result, the District sustained damages to their property and equipment. The District has filed a claim with their insurance carrier and received \$147,006 as of December 31, 2020 in insurance proceeds. For the year ended December 31, 2020 the District has offset repairs of \$19,808 with insurance proceeds of \$18,808 for a total casualty loss of \$6,700, of which \$1,000 is their insurance deductible on the claim and \$5,700 is cleanup not included in insurance claim. The remaining \$128,198 is recorded as deferred revenue and will go to offset the remaining repairs in 2021. There can be no assurance that the Company will not recognize additional casualty losses related to these hurricanes in the future as this cannot be estimated at this time.

**NOTE 12 – SUBSEQUENT EVENTS**

Management of the District has evaluated its December 31, 2020 financial statements for subsequent events through the date of the independent auditors' report, the date the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.



***REQUIRED SUPPLEMENTAL INFORMATION***

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

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND  
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL - GENERAL FUND  
Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenue:</b>				
Ad valorem taxes	\$ 540,000	\$ 560,500	\$ 550,022	\$ (10,478)
State revenue sharing	7,000	6,900	6,897	(3)
Fire tax rebate	12,000	11,600	11,581	(19)
Interest	20,000	5,850	11,367	5,517
Proceeds from sale of fixed assets	-	-	9,550	9,550
Insurance proceeds	-	141,500	-	(141,500)
Miscellaneous	2,000	8,700	8,117	(583)
Total revenues	<u>581,000</u>	<u>735,050</u>	<u>597,534</u>	<u>(137,516)</u>
<b>Expenditures:</b>				
Governmental				
General government	258,600	735,050	828,675	(93,625)
Capital outlay	322,400	-	64,590	(64,590)
Total expenditures	<u>581,000</u>	<u>735,050</u>	<u>893,265</u>	<u>(158,215)</u>
Transfers in (out)	<u>-</u>	<u>-</u>	<u>470,597</u>	<u>470,597</u>
Net change in fund balance	-	-	174,866	174,866
Fund balance at beginning of year	<u>3,395,986</u>	<u>3,395,986</u>	<u>3,395,986</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 3,395,986</u></u>	<u><u>\$ 3,395,986</u></u>	<u><u>\$ 3,570,852</u></u>	<u><u>\$ 174,866</u></u>

The accompanying notes are an integral part of this statement.

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

**SCHEDULE OF GENERAL GOVERNMENT EXPENDITURES - BUDGET  
AND ACTUAL (GAAP BUDGETARY BASIS) - GENERAL FUND**

**Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Accounting	\$ 5,600	\$ 7,450	\$ 7,450	\$ -
Bad debt	1,000	1,000	(568)	1,568
Deductions from ad valorem taxes - retirement	9,000	15,000	17,787	(2,787)
Firemen's fee	35,000	28,500	29,529	(1,029)
Fuel	8,000	9,500	8,377	1,123
Insurance	58,000	63,350	64,104	(754)
Joint service agreement	-	471,000	546,845	(75,845)
Maintenance and repairs	15,000	15,000	21,046	(6,046)
Office	6,000	6,000	14,021	(8,021)
Service	26,000	22,000	18,450	3,550
Payroll taxes	2,440	2,440	2,447	(7)
Per diem paid commissioners	5,600	5,900	5,700	200
Salaries	31,800	31,800	31,800	-
Supplies - operating	40,500	42,200	45,150	(2,950)
Supplies - housekeeping	460	110	125	(15)
Utilities and telephone	14,200	13,800	16,412	(2,612)
 Total general governmental expenditures	 \$ 258,600	 \$ 735,050	 \$ 828,675	 \$ (93,625)

The accompanying notes are an integral part of this statement.

***SUPPLEMENTAL INFORMATION***

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

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD  
For the Year Ended December 31, 2020**

Agency Head Name: Jerry Nichols

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 0
Benefits	0
Per Diem	1,200
Travel	0
Other	0
	<u>\$ 1,200</u>



# Langley, Williams & Company, L.L.C.

## CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 4690  
LAKE CHARLES, LOUISIANA 70606-4690  
205 W. COLLEGE STREET  
LAKE CHARLES, LOUISIANA 70605-1625  
(337) 477-2827  
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LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
PHILLIP D. ABSHIRE, JR.  
DAPHNE BORDELON BERKEN  
PHILLIP D. ABSHIRE, III  
NICHOLAS J. LANGLEY  
ALEXIS H. O'NEAL  
SARAH CLARK WERNER

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Calcasieu Parish Ward 7 Fire Protection District No. 1, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Calcasieu Parish Ward 7 Fire Protection District No. 1's basic financial statements and have issued our report thereon dated June 24, 2021.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. The deficiencies are identified as 20-01(IC).

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, 20-01(C) and 20-02(C).

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

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lake Charles, Louisiana  
June 24, 2021



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

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

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

**Financial Statements**

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? NO

**Federal Awards**

Not applicable

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

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

Current year – 12/31/2020

Internal Control:

20-01 (IC) – Segregation of Duties

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

**Condition:** All accounting duties are performed by one employee.

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

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

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

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

Compliance:

20-01 (C) – Budget Preparation

**Criteria:** The District is required to follow the Louisiana Bid Law.

**Condition:** For the year ended December 31, 2020, the District's actual expenditures exceeded budgeted expenditures by more than 5% and budgeted revenues exceeded actual revenues by 5%. State law requires that actual expenditures fall within 5% of budget and budgeted revenues fall within actual revenues.

**Cause:** The District had accruals and capital outlay at the end of the year they did not budget for.

**Effect:** The District was not in compliance with the Bid Law.

**Recommendation:** That the District review the Louisiana Bid Law annually for any changes. That they monitor all planned revenues, spending and transfers and seek guidance from legal council or CPA if necessary.

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

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

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

20-02 (C) – Budget Preparation

**Criteria:** The District is required to follow the Louisiana Bid Law.

**Condition:** For the year ended December 31, 2020, the District had a governmental fund that qualified as a major fund and did not prepare a budget for. State law requires that the general fund and each major governmental fund adopt a budget.

**Cause:** The District had a fund that qualified as a major fund in the current year and they did not budget for that fund.

**Effect:** The District was not in compliance with the Bid Law.

**Recommendation:** That the District review the Louisiana Bid Law annually for any changes. That they monitor all funds and seek guidance from legal council or CPA if necessary.

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

Prior year – 12/31/2019

Internal Control:

19-01 (IC) – Segregation of Duties

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

**Condition:** All accounting duties are performed by one employee.

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

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

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

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

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

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

Compliance:

19-01 (C) – Budget Preparation

**Criteria:** The District is required to follow the Louisiana Bid Law.

**Condition:** For the year ended December 31, 2020, the District's actual expenditures exceeded budgeted expenditures by more than 5%. State law requires that actual expenditures fall within 5% of budget.

**Cause:** The District had accruals at the end of the year they did not budget for.

**Effect:** The District was not in compliance with the Bid Law.

**Recommendation:** That the District review the Louisiana Bid Law annually for any changes. That they monitor all planned revenues, spending and transfers and seek guidance from legal council or CPA if necessary.

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