

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

Financial Report

Year Ended December 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the St. Landry Fire Protection District No. II (the District), a component unit of the St. Landry Parish Government, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise 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.

### 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 of 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 major fund of St. Landry Fire Protection District No. II, as of December 31, 2019, and the respective changes in financial position thereof 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 schedule, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 28 through 30 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 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 other supplementary information on pages 33 through 35 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative balance sheets on page 33 and the comparative statements of revenues, expenditures, and changes in fund balance on page 34 are the responsibility of management and were derived from and relate 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 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 information is fairly stated in all material respects in relation to the financial statements as a whole. The prior year comparative amounts on this information were derived from the District's 2018 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements from which they were derived.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
July 8, 2020

## **BASIC FINANCIAL STATEMENTS**

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

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

Statement of Net Position  
December 31, 2019

	<u>Governmental Activities</u>
 <b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$4,907,119
Taxes receivable	450,125
Other receivable	5,312
Due from other governmental agencies	1,557,452
Prepaid insurance	<u>24,113</u>
Total current assets	<u>6,944,121</u>
Noncurrent assets:	
Capital assets not being depreciated -	
Land	36,659
Capital assets, net of depreciation	<u>1,645,200</u>
Total noncurrent assets	<u>1,681,859</u>
Total assets	<u>8,625,980</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	<u>1,182,712</u>
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts and other liabilities	74,837
Noncurrent liabilities:	
Net pension liability	<u>2,703,573</u>
Total liabilities	<u>2,778,410</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	<u>195,217</u>
 <b>NET POSITION</b>	
Net investment in capital assets	1,681,859
Unrestricted	<u>5,153,206</u>
Total net position	<u>\$6,835,065</u>

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



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

Statement of Activities  
For the Year Ended December 31, 2019

Activities	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental activities:			
Public safety - fire	<u>\$ 3,299,602</u>	<u>\$ 153,816</u>	<u>\$ (3,145,786)</u>
General revenues:			
Property taxes			1,913,975
State revenue sharing			32,558
Interest and investment earnings			29,614
Non employer pension contributions			115,742
Miscellaneous			<u>160,851</u>
Total general revenues			<u>2,252,740</u>
Change in net position			(893,046)
Net position - January 1, 2019			<u>7,728,111</u>
Net position - December 31, 2019			<u>\$ 6,835,065</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

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

Balance Sheet  
Governmental Fund  
December 31, 2019

General Fund

ASSETS

Cash and interest-bearing deposits	\$ 4,907,119
Taxes receivable	450,125
Other receivable	5,312
Due from other governmental agencies	1,557,452
Prepaid insurance	<u>24,113</u>
Total assets	<u>\$ 6,944,121</u>

LIABILITIES, DEFERRED INFLOWS  
OF RESOURCES, AND FUND BALANCES

Liabilities:	
Accounts payable	\$ 3,828
Accrued liabilities	<u>71,009</u>
Total liabilities	<u>74,837</u>
Deferred inflows of resources:	
Ad valorem taxes	<u>43,523</u>
Fund balances:	
Nonspendable - prepaid items	24,113
Unassigned	<u>6,801,648</u>
Total fund balances	<u>6,825,761</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,944,121</u>

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

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

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2019

Total fund balance for the governmental fund at December 31, 2019		\$ 6,825,761
Total net position reported for the governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 36,659	
Depreciable assets, net of \$1,965,825 accumulated depreciation	<u>1,645,200</u>	1,681,859
The deferred outflows of expenditures for pensions are not a use of current resources and, therefore, are not reported in the funds		1,182,712
Long term liabilities are not due and payable in the current period and, therefore, not reported in the governmental funds.		
Long-term liabilities at December 31, 2019:		
Net pension liability		(2,703,573)
Some of the District's ad valorem taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources at the fund level.		43,523
The deferred inflows of contributions for the pension plan are not available resources and, therefore, are not reported in the funds		<u>(195,217)</u>
Total net position of governmental activities at December 31, 2019		<u>\$ 6,835,065</u>

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

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

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
For the Year Ended December 31, 2019

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$ 1,964,471
Intergovernmental revenues -	
State revenue sharing	32,558
Fire insurance rebate	21,066
On-behalf payments	132,750
Other income	160,851
Interest income	<u>29,614</u>
Total revenues	2,341,310
Expenditures:	
Current -	
Public safety - fire	<u>2,646,402</u>
Net change in fund balance	(305,092)
Fund balance, beginning	<u>7,130,853</u>
Fund balance, ending	<u>\$ 6,825,761</u>

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

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

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Fund  
to the Statement of Activities  
For the Year Ended December 31, 2019

Total net change in fund balance for the year ended December 31, 2019 per statement of revenues, expenditures and changes in fund balance	\$ (305,092)
The change in net position reported for governmental activities in the statement of activities is different because:	
Depreciation expense for the year ended December 31, 2019	(210,717)
Some revenues are not considered measurable at year end, therefore, they are not considered "available" revenues in the governmental funds	
Non employer pension contributions	115,742
Some of the District's ad valorem taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources at the fund level.	(50,496)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.	
Pension expense	<u>(442,483)</u>
Total change in net position for the year ended December 31, 2019 per statement of activities	<u>\$ (893,046)</u>

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

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

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements (FFS)

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

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

Notes to the Basic Financial Statements (Continued)

Basis of Accounting

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

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

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

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

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

Cash and interest-bearing deposits

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



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

Notes to the Basic Financial Statements (Continued)

Equity Classifications

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

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

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

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

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

Notes to the Basic Financial Statements (Continued)

(3) Ad Valorem Taxes

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

For the year ended December 31, 2019, taxes were levied at the rate of 17.58 mills on property with net assessed valuations totaling \$116,975,570. The total assessment of 17.58 mills consists of one tax levy: 17.58 mills assessed in 2010, expiring in 2019. This tax levy was renewed for a period of ten (10) years, beginning with year 2020 and ending with the year 2029.

Total taxes levied during 2019 were \$2,056,432, excluding \$155,803 due to homestead exemption. Taxes receivable at December 31, 2019 of \$450,125 consisted of \$469,625 gross taxes receivable less an allowance for uncollectible accounts of \$19,500.

(4) Due from Other Governmental Agencies

The balance in due from other governmental agencies of \$1,557,452 consisted of \$1,535,850 due from St. Landry Parish Sheriff and \$21,602 due from the State of Louisiana at December 31, 2019.

(5) Capital Assets

Capital asset balances and activity for the year ended December 31, 2019 are as follows:

	Balance 01/01/19	Additions	Deletions	Balance 12/31/19
Land	\$ 36,659	\$ -	\$ -	\$ 36,659
Construction in progress	-	-	-	-
Buildings and improvements	1,408,254	-	-	1,408,254
Equipment, furniture and fixtures	498,452	-	-	498,452
Fire engines	1,704,319	-	-	1,704,319
Totals	3,647,684	-	-	3,647,684
Less: Accumulated depreciation	1,755,108	210,717	-	1,965,825
Net Capital Assets	<u>\$ 1,892,576</u>	<u>\$ (210,717)</u>	<u>\$ -</u>	<u>\$ 1,681,859</u>

Depreciation expense of \$210,717 was charged to the public safety function.

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

Notes to the Basic Financial Statements (Continued)

**Net Pension Liability**

The District's net pension liability at December 31, 2019 of \$2,703,573 is comprised of its proportionate share of the net pension liability relating to the cost-sharing plan in which the District is a participating employer. The District's net pension liability for the plan was measured as of the plan's measurement date (June 30, 2019) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability for the plan in which it participates was based on the District's required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the District's proportion for the plan was 0.431749% and the change in proportion from the prior measurement date was an increase of .001560%.

Since the measurement date of the net pension liability was June 30, 2019, the net pension liability is based upon fiduciary net position for the plan as of that date. Detailed information about the pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the District's net pension liability is available in the separately issued plan financial report which may be accessed on their website at <http://www.ffret.com>.

**Actuarial Assumptions**

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

Date of experience study on which significant assumptions are based	7/1/2009 - 6/30/2014
Expected remaining service lives	7
Inflation Rate	2.500%
Projected salary increases	4.50% - 14.75%
Projected benefit changes including COLAs	None
Source of mortality assumptions	(1), (2)
(1) RP-2000 Disabled Lives Mortality Table for disabled annuitants set back 5 years for males and 3 years for females.	
(2) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table Projected to 2031 using Scale AA.	

**Cost of Living Adjustments**

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

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

Notes to the Basic Financial Statements (Continued)

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return *
Domestic Fixed Income	31%	2.17%
Domestic Equity	21.5%	5.98%
International Equity	17.5%	7.52%
Global Equity	10%	6.59%
Global Tactical Asset Allocation	5%	4.37%
Risk Parity	5%	4.67%
Private Equity	4%	10.52%
Real Estate	6%	4.14%
Total	<u>100%</u>	<u>5.19%</u>
Inflation/Rebalancing		<u>2.75%</u>
Expected Return		<u>7.94%</u>

\*Arithmetic real rates of return

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2019, the District recognized \$726,813 in pension expense related to the defined benefit plan in which it participates.

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

Notes to the Basic Financial Statements (Continued)

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

The following presents the District's proportionate share of the net pension liabilities of the plan, calculated using its respective discount rate of 7.15%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	<u>\$3,914,957</u>	<u>\$ 2,703,573</u>	<u>\$1,686,830</u>

**Payables to Pension Plan**

Included in accounts and other liabilities at December 31, 2019 was the District's payable to FRS of \$25,283, which was the contractually required contribution for the month of December 2019.

(7) Risk Management

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

(8) On-Behalf Payment of Salaries

The State of Louisiana paid the District's firemen \$132,750 of supplemental pay during the year ended December 31, 2019. Such payments are recorded as intergovernmental revenues and public safety expenditures.

(9) Litigation

As of December 31, 2019, the District is not involved in any litigation.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

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

Budgetary Comparison Schedule  
General Fund  
For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$1,918,995	\$ 1,902,089	\$ 1,964,471	\$ 62,382
Intergovernmental revenues -				
State revenue sharing	33,000	32,314	32,558	244
Fire insurance rebate	22,000	25,916	21,066	(4,850)
On-behalf payments	-	132,750	132,750	-
Other income	80,000	163,090	160,851	(2,239)
Interest income	17,000	29,476	29,614	138
Total revenues	<u>2,070,995</u>	<u>2,285,635</u>	<u>2,341,310</u>	<u>55,675</u>
Expenditures:				
Current -				
Public safety fire	2,524,573	2,344,643	2,646,402	(301,759)
Capital outlay	<u>25,000</u>	<u>26,000</u>	<u>-</u>	<u>26,000</u>
Total expenditures	<u>2,549,573</u>	<u>2,370,643</u>	<u>2,646,402</u>	<u>(275,759)</u>
Net changes in fund balance	(478,578)	(85,008)	(305,092)	(220,084)
Fund balance, beginning	<u>7,130,853</u>	<u>7,130,853</u>	<u>7,130,853</u>	<u>-</u>
Fund balance, ending	<u>\$6,652,275</u>	<u>\$ 7,045,845</u>	<u>\$ 6,825,761</u>	<u>\$ (220,084)</u>

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

Firefighters' Retirement System  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended December 31, 2019

Plan Fiscal Year	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2019	0.431749%	\$ 2,703,573	\$ 1,043,483	259.1%	73.96%
6/30/2018	0.430189%	2,474,481	1,024,211	241.6%	74.76%
6/30/2017	0.378859%	2,171,563	884,582	245.5%	73.55%
6/30/2016	0.323592%	2,116,584	731,435	289.4%	68.16%
6/30/2015	0.249285%	1,345,419	532,848	252.5%	72.45%

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



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

Firefighters' Retirement System  
Schedule of Employer Contributions  
For the Year Ended December 31, 2019

<u>Fiscal Year Ended December 31,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2019	\$284,331	\$284,331	\$ -	\$ 1,048,157	27.13%
2018	279,055	279,055	-	1,053,038	26.50%
2017	263,576	263,576	-	1,018,651	25.88%
2016	187,388	187,388	-	713,859	26.25%
2015	188,948	188,948	-	668,842	28.25%

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

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

Notes to the Required Supplementary Information

(1) Budgets and Budgetary Accounting

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

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

(2) Pension Plan

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

(3) Excess of Expenditures Over Appropriations

For the year ended December 31, 2019, the General Fund had actual expenditures over appropriations, at the functional level, as follows:

Function	Budget	Actual	Excess
Public safety - fire	\$2,344,643	\$2,646,402	\$ (301,759)

## **OTHER SUPPLEMENTARY INFORMATION**

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

Comparative Balance Sheets  
General Fund  
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and interest-bearing deposits	\$ 4,907,119	\$ 5,262,198
Taxes receivable	450,125	373,157
Other receivable	5,312	-
Due from other governmental agencies	1,557,452	1,624,515
Prepaid insurance	<u>24,113</u>	<u>24,568</u>
Total assets	<u>\$ 6,944,121</u>	<u>\$ 7,284,438</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 3,828	\$ 8,555
Accrued liabilities	71,009	30,592
Retainage payable	<u>-</u>	<u>20,419</u>
Total liabilities	<u>74,837</u>	<u>59,566</u>
Deferred inflows of resources:		
Ad valorem taxes	<u>43,523</u>	<u>94,019</u>
Fund balances:		
Nonspendable - prepaid items	24,113	24,568
Unassigned	<u>6,801,648</u>	<u>7,106,285</u>
Total fund balances	<u>6,825,761</u>	<u>7,130,853</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,944,121</u>	<u>\$ 7,284,438</u>

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

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance  
General Fund  
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues:		
Ad valorem taxes	\$ 1,964,471	\$ 1,964,017
Intergovernmental revenues -		
State revenue sharing	32,558	32,312
Fire insurance rebate	21,066	21,239
On-behalf payments	132,750	137,867
Other income	160,851	76,514
Interest income	<u>29,614</u>	<u>17,657</u>
Total revenues	<u>2,341,310</u>	<u>2,249,606</u>
Expenditures:		
Current -		
Public safety - fire	2,646,402	2,561,251
Capital outlay	<u>-</u>	<u>262,094</u>
Total expenditures	<u>2,646,402</u>	<u>2,823,345</u>
Net changes in fund balances	(305,092)	(573,739)
Fund balance, beginning	<u>7,130,853</u>	<u>7,704,592</u>
Fund balance, ending	<u>\$ 6,825,761</u>	<u>\$ 7,130,853</u>

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

Schedule of Expenditures Compared to Budget (GAAP Basis) -  
General Fund

For the Year Ended December 31, 2019

With Comparative Actual Amounts for Year Ended December 31, 2018

	2019			Variance -	2018
	Budget		Actual	Favorable	Actual
	Original	Final		(Unfavorable)	
Current:					
Public safety -					
Board fees/compensation	\$ 17,253	\$ 16,203	\$ 16,203	\$ -	\$ 16,128
Salaries	1,307,300	1,074,750	1,367,154	(292,404)	1,414,542
Extra shifts and call out time	165,000	263,500	267,075	(3,575)	127,212
Payroll taxes	128,000	132,400	127,817	4,583	122,300
Pension plan contribution	260,000	285,000	316,524	(31,524)	279,055
Pension deduction	57,570	59,980	59,419	561	59,980
Repairs and maintenance	28,500	41,000	30,152	10,848	23,240
Office expense	10,750	18,300	18,403	(103)	8,904
Supplies	61,200	33,800	32,328	1,472	37,822
Professional fees	27,200	30,110	29,563	547	27,429
Telephone and utilities	39,800	44,100	42,929	1,171	39,040
Insurance	407,000	326,000	314,535	11,465	392,050
Gasoline and oil	10,000	15,000	14,980	20	8,090
Tax election	-	3,900	3,889	11	-
Uniforms	5,000	600	5,431	(4,831)	5,459
Total public safety	2,524,573	2,344,643	2,646,402	(301,759)	2,561,251
Capital outlay	25,000	26,000	-	26,000	262,094
Total expenditures	\$ 2,549,573	\$ 2,370,643	\$ 2,646,402	\$ (275,759)	\$ 2,823,345

**INTERNAL CONTROL,  
COMPLIANCE  
AND OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the St. Landry Fire Protection District No. II (the District), a component unit of the St. Landry Parish Government as of and for the year ended December 31, 2019, and the related notes to the financial statements, which comprise the District's basic financial statements and have issued our report thereon dated July 8, 2020.

### 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified a certain deficiency in internal control that we consider to be a material weakness. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2019-001 to be a material weakness.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that was required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2019-002.

## **The District's Response to Findings**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
July 8, 2020

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

Summary Schedule of Current and Prior Year Findings  
and Management's Corrective Action Plan (Continued)

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

**A. Internal Control Findings -**

**2019-001     Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: 2007

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

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

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

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

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

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

**B. Compliance Findings**

**2019-002     Budget Violation**

Fiscal year finding initially occurred: 2019

**CONDITION** The Louisiana Local Government Budget Act requires governments to both adopt a realistic budget and amend their budget when total actual revenues fail to meet budgeted revenues or actual expenditures exceed total budgeted expenditures by 5% or more.

**CRITERIA:** LA R.S. 39:1301 – 1315 requires political subdivision of the state with a general fund or special revenue fund to timely amend the budget when actual revenues are less than budgeted revenues by 5% or more or actual expenditures exceed budgeted expenditures by 5% or more.

**CAUSE:** The District did develop a realistic budget based on current anticipated revenues and expenditures, however they did not properly amend the budget when actual expenditures exceed the budgeted expenditures by 5% or more.

**EFFECT:** Actual expenditures in the General Fund were above budgeted expenditures by more than 5%.

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

Summary Schedule of Current and Prior Year Findings  
and Management's Corrective Action Plan (Continued)

RECOMMENDATION: The budget should be reviewed periodically during the year, and amended as necessary, to ensure compliance.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The District will monitor the budget to ensure compliance with State law.

Part II. Prior Year Findings

A. Internal Control Findings -

**2018-001** Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2007

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

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

CURRENT STATUS: Unresolved. See finding 2019-001.

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

Port Barre, Louisiana

Agreed-Upon Procedures Report

Year Ended December 31, 2019

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Board of Commissioners of the St.  
Landry Fire Protection District No. II  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the St. Landry Fire Protection District No. II (District) and the Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The District's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### Written Policies and Procedures

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

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the District's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operation after a critical event.

#### ***Board or Finance Committee***

**(The following procedures were not performed since there were no exceptions in the prior year.)**

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
  - c) Obtain the prior year audit report and observe the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

#### ***Bank Reconciliations***

- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the District's main operating account, which was the District's only bank account. We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for the bank account, and observed that:
  - a) The bank reconciliation included evidence that it was prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

- b) The bank reconciliation included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date if applicable.

### **Collections**

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4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. There was only one deposit site.
5. For the deposit site tested, we obtained a listing of collection locations and management's representation that the listing is complete. There was only one collection location. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, we inquired of employees about their job duties) at the collection location, and observed that job duties are properly segregated at the collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for the District's bank account determined for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* We obtained supporting documentation for the two deposits and:
  - a) Observed that receipts are sequentially pre-numbered.
  - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Traced the deposit slip total to the actual deposit per the bank statement.
  - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Traced the actual deposit per the bank statement to the general ledger.

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

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**(The following procedures were not performed since there were no exceptions in the prior year).**

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Select one location that processes payments.
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the District's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

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11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing was complete.
12. Using the listing prepared by management, we selected 3 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
  - a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
  - b) Observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participated in meals (for meal charges only).



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

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the District's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

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#### ***Ethics***

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - a) We observed that the documentation demonstrated each employee/official completed one hour of ethics training during the fiscal period.
  - b) We observed that the documentation demonstrated each employee/official attested through signature verification that he or she has read the District's ethics policy during the fiscal period.

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#### ***Debt Service***

**(The following procedures were not performed since there were no exceptions in the prior year.)**

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

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#### ***Other***

**(The following procedures were not performed since there were no exceptions in the prior year.)**

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the District reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the District is domiciled.
24. Observe that the District has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Exceptions:**

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

**Written Policies and Procedures:**

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

**Management's response:** The District will develop written policies and procedures to address the categories specified above.

**Collections:**

2. The employee who has access to cash was not covered by a bond or insurance policy for theft.

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

3. Dates of cash collections could not be determined based upon information obtained from the District; therefore, timely deposits could not be tested.

**Management's response:** The District will implement a policy to document the dates of all collections and all collections will be deposited timely.

**Credit Cards/Debit Cards/Fuel Cards/P-Cards:**

4. One of the credit cards selected had a late fee on it.

**Management's response:** Management will ensure that credit card payments are made in a timely manner.

5. The District did not state a public purpose on seven credit card charges.

**Management's response:** Management will document the business purpose on all invoices and/or receipts.

**Ethics:**

6. The District did not require all employees, including elected officials, to annually attest through signature verification that they have read the District's ethics policy.

**Management's response:** The District will have its employees sign that they have read the ethics policy.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
July 8, 2020