

EVANGELINE PARISH WARD ONE
FIRE DISTRICT NO. 2
Financial Report
Year Ended December 31, 2018

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Harold Dupre, CPA
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Russell J. Stelly, CPA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Evangeline Parish Ward One Fire District No. 2 (Fire District), a component unit of the Evangeline Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Fire District, as of December 31, 2018 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Fire District. The accompanying schedule of compensation, benefits and other payments to agency head on page 27, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a part of the financial statements.

This schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 20, 2019, on our consideration of the Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Fire District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated May 20, 2019 on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those controls and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance

John S. Dowling & Company

Opelousas, Louisiana
May 20, 2019

BASIC FINANCIAL STATEMENTS

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

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

Statement of Net Position
December 31, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$1,010,627
Receivables	811,069
Prepaid expense	45,273
Capital assets, net	<u>2,150,079</u>
Total assets	<u>4,017,048</u>
LIABILITIES	
Accounts and other payables	6,611
Long-term liabilities:	
Portion due within one year - Capital lease payable	74,098
Portion due after one year - Capital lease payable	<u>236,792</u>
Total liabilities	<u>317,501</u>
NET POSITION	
Net investment in capital assets	1,839,190
Unrestricted	<u>1,860,357</u>
Total net position	<u>\$3,699,547</u>

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

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

Statement of Activities
For the Year Ended December 31, 2018

Expenses:	
Public safety	\$ 1,292,062
Interest on long-term debt	<u>11,087</u>
Total expenses	<u>1,303,149</u>
General revenues:	
Ad valorem taxes	796,756
State revenue sharing	38,637
Fire insurance rebate	32,233
On-behalf payments	631,669
Interest and investment earnings	<u>2,754</u>
Total general revenues	<u>1,502,049</u>
Change in net position	198,900
Net position, January 1, 2018	<u>3,500,647</u>
Net position, December 31, 2018	<u>\$3,699,547</u>

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

FUND FINANCIAL STATEMENTS (FFS)

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

Balance Sheet
Governmental Fund - General Fund
December 31, 2018

Assets:	
Cash and interest-bearing deposits	\$ 1,010,627
Receivables	811,069
Prepaid expense	<u>45,273</u>
Total assets	<u>\$ 1,866,969</u>
Liabilities:	
Accounts payable	\$ 6,318
Accrued liabilities	<u>293</u>
Total liabilities	6,611
Deferred inflows of resources:	
Unavailable revenues - property taxes and state revenue sharing	43,480
Fund balance:	
Unassigned	<u>1,816,878</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,866,969</u>

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

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

Reconciliation of the Governmental Fund's Balance Sheet
to the Statement of Net Position
December 31, 2018

Total fund balance for the governmental fund at December 31, 2018		\$1,816,878
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 47,000	
Equipment, net of \$1,625,211 accumulated depreciation	1,752,231	
Buildings and improvements, net of \$208,669 accumulated depreciation	<u>350,848</u>	2,150,079
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:		
Capital lease payable		(310,890)
Revenues that have been deferred are unearned in the governmental funds but are recognized as revenue in the government-wide financial statements		<u>43,480</u>
Net position at December 31, 2018		<u>\$3,699,547</u>

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

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

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund - General Fund
For the Year Ended December 31, 2018

Revenues:	
Ad valorem tax	\$ 799,674
State revenue sharing	38,975
Fire insurance rebate	32,233
On-behalf payments-City of Ville Platte	631,669
Interest income	2,754
Total revenues	<u>1,505,305</u>
Expenditures:	
Current -	
Advertising	2,280
Fuel	32,527
Insurance	45,220
Miscellaneous	6,277
Office	9,894
Pension expense	25,624
Professional fees	14,042
Repairs and maintenance	50,500
Salaries and related benefits	245,289
Salaries and related benefits - on-behalf	631,669
Supplies	3,546
Telephone	2,458
Training	3,157
Uniforms	3,213
Utilities	8,417
Volunteer firemen	2,349
Capital outlay	442,993
Debt service -	
Principal retirement	72,300
Interest	11,087
Total expenditures	<u>1,612,842</u>
Deficiency of revenues over expenditures	(107,537)
Other financing sources:	
Proceeds from capital lease	<u>383,190</u>
Net change in fund balance	275,653
Fund balance, beginning	<u>1,541,225</u>
Fund balance, ending	<u>\$1,816,878</u>

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

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

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2018

Total change in fund balance for the year ended December 31, 2018 per statement of revenues, expenditures and changes in fund balance	\$ 275,653
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on the statement of revenues, expenditures and changes in fund balance	\$ 442,993
Depreciation expense	<u>(205,600)</u> 237,393
In the governmental funds, a capital lease arrangement is considered a source financing, but in the statement of net position, the lease obligation is reported as a liability	(383,190)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	72,300
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds	
Change in unavailable revenues	<u>(3,256)</u>
Total change in net position per statement of activities	<u>\$ 198,900</u>

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

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

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Evangeline Parish Ward One Fire District No. 2 (Fire District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

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

Notes to the Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

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

The fund of the Fire District is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Fire District is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Fire District and is used to account for the operations of the Fire District's office. The various fees and charges due to the Fire District's office are accounted for in this fund. General operating expenditures are paid from this fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

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

Notes to the Basic Financial Statements (Continued)

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

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

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

Use of Restricted Resources

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

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

Notes to the Basic Financial Statements (Continued)

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

Cash and interest-bearing deposits

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

Receivables

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The Fire District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	5-15 years
Buildings and improvements	40 years

Long-term debt

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

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. Long-term debt of the Fire District at December 31, 2018 consists of a capital lease.

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

Notes to the Basic Financial Statements (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. Ad valorem taxes and state revenue sharing for the governmental fund which have not been remitted within 60 days subsequent to year end are considered deferred inflows of resources.

Equity Classifications

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

- a. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

Notes to the Basic Financial Statements (Continued)

- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the Fire District.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Fire District's adopted policy, only the Fire District may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

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

E. Use of Estimates

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

F. Post-Employment Benefits other than Pensions

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

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

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Fire District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Fire District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2018, the Fire District has cash and interest-bearing deposits (book balances) totaling \$1,010,627 as follows:

Checking accounts	\$ 360,072
Savings accounts	<u>650,555</u>
Total	<u>\$1,010,627</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Fire District's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2018, were secured as follows:

Bank balances	<u>\$1,056,229</u>
Federal deposit insurance	\$ 500,000
Pledged securities	<u>556,229</u>
Total	<u>\$1,056,229</u>

Deposits in the amount of \$556,229 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Fire District's name. The Fire District does not have a policy for custodial credit risk.

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

Notes to the Basic Financial Statements (Continued)

(3) Capital Assets

Capital asset balances and activity for the year ended December 31, 2018 are as follows:

	Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018
Land	\$ 47,000	\$ -	\$ -	\$ 47,000
Equipment	2,994,253	383,189	-	3,377,442
Buildings and improvements	499,713	59,804	-	559,517
Total capital assets	3,540,966	442,993	-	3,983,959
Less: Accumulated depreciation	1,628,280	205,600	-	1,833,880
Net capital assets	<u>\$ 1,912,686</u>	<u>\$ 237,393</u>	<u>\$ -</u>	<u>\$ 2,150,079</u>

Depreciation expense of \$205,600 was charged to the public safety function for the year ending December 31, 2018.

(4) Ad Valorem Taxes and State Revenue Sharing

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

For the year ended December 31, 2018, taxes were levied at the rate of 11.16 mills on property with assessed valuations totaling \$71,725,155. Total taxes levied during 2018 were \$800,453. Ad valorem taxes receivable at December 31, 2018 was \$772,431 and there was no allowance for doubtful accounts necessary.

For the year ended December 31, 2018, state revenue sharing receivable was \$38,638 and there was no allowance for doubtful accounts needed.

(5) Accounts and other payables

The accounts and other payables consisted of the following at December 31, 2018:

Accounts	\$ 6,318
Accrued liabilities	<u>293</u>
Totals	<u>\$ 6,611</u>

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

Notes to the Required Supplementary Information

(6) Tax Abatements

The Industrial Ad Valorem Tax Exemption Program (ITEP) provided through the Louisiana Department of Economic Development, (authorized pursuant to Article VII, Part II, Section 21(F) of the Louisiana Constitution of 1974) authorizes the abatement of ad valorem taxes for a period of up to ten years on capital improvements and equipment related to manufacturing. The Fire District abated property taxes to entities in the parish through the ITEP in the amount of \$91,741 for the year ended December 31, 2018.

(7) Risk Management

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

(8) Litigation

There is no litigation pending against the Fire District at December 31, 2018.

(9) Board Members

Board members do not get paid for serving on the board. A list of board members as of December 31, 2018 is as follows:

Steve Thibodeaux
Daniel McDaniel
Shawn devillier
Ted Demoruelle
Nathaniel Thomas

(10) On Behalf Payments

The City of Ville Platte pays the salaries, health insurance and retirement for the employees of the Fire District. The Fire District reimburses the City of Ville Platte for a portion of these expenses. Reimbursements made to the City of Ville Platte for the year ending December 31, 2018 totaled \$240,831. The City of Ville Platte paid \$631,669 in on-behalf payments for salaries and related benefits of the Fire District. The City of Ville Platte makes contributions to the Municipal Employees Retirement System of Louisiana for the Fire District's employees.

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

Notes to the Basic Financial Statements (Continued)

(11) Capital Lease

The Fire District entered into a capital lease agreement with Government Capital Corporation, for a fire truck on November 28, 2017 the first payment was due on November 28, 2018. The agreement requires an annual payment of \$84,022 for five years, secured by the fire truck.

The following is a summary of long-term debt transactions of the Fire District for the year ended December 31, 2018

	Governmental Activities
Capital lease payable at 1/01/2018	\$ -
Inception of capital lease	383,190
Payments	72,300
Capital lease payable at 12/31/2018	310,890
Due within one year	\$ 74,098

Maturities of lease payments are as follows:

Year Ending December 30,	Principal	Interest	Total
2019	\$ 74,098	\$ 9,924	\$ 84,022
2020	76,464	7,558	84,022
2021	78,904	5,118	84,022
2022	81,424	3,233	84,657
	310,890	25,833	336,723

(12) Subsequent Events

Subsequent events were evaluated through May 20, 2019, which is the date the financial statements were available to be issued. As of May 20, 2019, there were no subsequent events noted.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Ad valorem tax	\$ 600,000	\$ 600,000	\$ 799,674	\$ 199,674
State revenue sharing	35,200	35,200	38,975	3,775
Fire insurance rebate	32,400	32,400	32,233	(167)
On-behalf payments-City of Ville Platte	-	631,669	631,669	-
Interest income	-	-	2,754	2,754
Total revenues	<u>667,600</u>	<u>1,299,269</u>	<u>1,505,305</u>	<u>206,036</u>
Expenditures:				
Current -				
Advertising	3,250	3,250	2,280	970
Fuel	29,500	29,500	32,527	(3,027)
Insurance	62,500	62,500	45,220	17,280
Miscellaneous	-	-	6,277	(6,277)
Office	-	-	9,894	(9,894)
Pension expense	14,800	14,800	25,624	(10,824)
Professional fees	9,340	9,340	14,042	(4,702)
Repairs and maintenance	315,000	50,000	50,500	(500)
Salaries and related benefits	273,750	273,750	245,289	28,461
Salaries and related benefits - on-behalf	-	631,669	631,669	-
Supplies	19,500	19,500	3,546	15,954
Telephone	3,120	-	2,458	(2,458)
Training	-	-	3,157	(3,157)
Uniforms	-	-	3,213	(3,213)
Utilities	27,750	30,870	8,417	22,453
Volunteer firemen	-	-	2,349	(2,349)
Capital outlay	209,000	265,000	442,993	(177,993)
Debt service -				
Principal retirement	75,000	75,000	72,300	2,700
Interest	13,000	13,000	11,087	1,913
Total expenditures	<u>1,055,510</u>	<u>1,478,179</u>	<u>1,612,842</u>	<u>(134,663)</u>
Deficiency of revenues over expenditures	(387,910)	(178,910)	(107,537)	71,373
Other financing sources:				
Proceeds from capital lease	-	383,190	383,190	-
Net change in fund balance	(387,910)	204,280	275,653	71,373
Fund balance, beginning	<u>1,541,225</u>	<u>1,541,225</u>	<u>1,541,225</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,153,315</u>	<u>\$ 1,745,505</u>	<u>\$ 1,816,878</u>	<u>\$ 71,373</u>

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

Notes to the Required Supplementary Information

Budgets and Budgetary Accounting

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

1. The Secretary-Treasurer prepares a proposed budget and submits it to the District Board for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Evangeline Parish Ward One Fire District board.

**OTHER SUPPLEMENTARY
INFORMATION**

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

Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2018

Agency Head Name: Christopher Harrison, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 68,352
Benefits - payroll tax	1,128
Benefits - pension	18,113
Benefits - health insurance	5,265
Cell phone allowance	420
	<u>\$ 93,278</u>

**INTERNAL CONTROL
AND COMPLIANCE**

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



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1904-1984
John Newton Stout, CPA
1936-2005
Chizal S. Fontenot, CPA
1955-2012

Van L. Auld, CPA

Retired

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Evangeline Parish Ward One Fire District No. 2 (Fire District), a component unit of the Evangeline Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements and have issued our report thereon dated May 20, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fire District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matter that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Responses as item 2018-1 and 2018-2.

Fire District's Response to Findings

The Fire District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Fire District's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

John S. Dowling & Company

Opelousas, Louisiana
May 20, 2019

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

Schedule of Findings and Responses
For the Year Ended December 31, 2018

Section I - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Evangeline Parish Ward One Fire District No. 2
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and on Other Matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. Two instances of noncompliance relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
4. No management letter was issued for Evangeline Parish Ward One Fire District No. 2 as of and for the year ended December 31, 2018.
5. There was no single audit required under The Uniform Guidance.

Section II - INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL

None

COMPLIANCE

2018-1 Budget Presentation

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

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

Cause: The budget was not properly presented.

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

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

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

Contact Person: Daniel McDaniel, Chairman of the Board

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

Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2018

2018-2 Budget Amendment

Condition: The budget was not properly amended.

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

Cause: The budget was not properly amended.

Effect: Actual expenditures exceeded budgeted expenditures by \$134,663 which is a variance of nine percent.

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

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

Contact person: Daniel McDaniel, Chairman of the Board.

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

N/A

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

Schedule of Prior Year Findings
For the Year Ended December 31, 2018

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

2017-1 Budget Presentation

Unresolved

2017-2 Timely Adoption of Budget

Resolved

2017-3 Budget Amendment

Unresolved

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

No findings.

AGREED UPON PROCEDURES

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



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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by Evangeline Parish Ward One Fire District No. 2 (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

Finding: The Fire District does not have any written policies or procedures addressing budgeting.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Finding: The Fire District does not have any written policies or procedures addressing purchasing.

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

Finding: The Fire District does not have any written policies or procedures addressing disbursements.

- 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,

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

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

Finding: The Fire District does not have any written policies or procedures addressing receipts and collections.

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

Finding: The Fire District does not have any written policies or procedures addressing payroll and personnel.

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

Finding: The Fire District does not have any written policies or procedures addressing contracting.

- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

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

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

Finding: The Fire District does not have any written policies or procedures addressing travel and expense reimbursement.

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Finding: The Fire District does not have any written policies or procedures addressing ethics.

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

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

Board (or Finance Committee, if applicable)

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.

Finding: The board met monthly, but there was no quorum in the months of July and October of 2018.

To the Board of Directors of
Evangeline Parish Ward One Fire District No. 2
and the Louisiana Legislative Auditor:
Page 3

- b) For those entities reporting on the governmental accounting model, 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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

- c) For governmental entities, 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.

Finding: The general fund unrestricted fund balance is not negative. No exceptions noted.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Finding: Obtained listing of bank accounts from management and representation that the list is complete. Only one account requires a bank reconciliation because the other accounts have little to no activity. The bank reconciliation was prepared by a CPA firm and there was no evidence that it was prepared within 2 months of the statement closing date.

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

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

- 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.

Finding: No items were outstanding for more than 12 months. No exceptions noted.

Collections

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

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

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

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Finding: There is no cash register or drawer.

- 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.

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

- 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.

Finding: No exceptions noted.

- 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.

Finding: No exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Finding: The person collecting cash is not bonded.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting*

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

the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.
Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Finding: No exceptions noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Finding: No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Finding: No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Finding: None of the deposits were made within one business day. The deposits were for ad valorem taxes collected.

- e) Trace the actual deposit per the bank statement to the general ledger.

Finding: No exceptions noted.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Finding: Only one location 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.

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

- b) At least two employees are involved in processing and approving payments to vendors.

Finding: All invoices are approved by the Board at monthly meetings. Two Board signatures are required on checks.

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

- 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.

Finding: No exceptions noted.

- 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.

Finding: No exceptions noted.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

Finding: No exceptions noted

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Finding: Disbursements did not include signature of approval or date, but all disbursements are approved by the board at monthly meetings.

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

11. Obtain 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. Obtain management's representation that the listing is complete.

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

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

- a) Observe 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Finding: There is no evidence of review or approval by someone other than the cardholder, but invoices are approved by the Board at monthly meetings. The credit card is not issued to a board member.

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

Finding: No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Finding: No exceptions noted.

Travel and Expense Reimbursement

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).

Finding: No reimbursements exceeded GSA rates.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Finding: No exceptions noted.

- 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).

Finding: No exceptions noted.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding: Reimbursements were not reviewed or approved in writing, but all expenses are approved by the Board at monthly meetings.

Contracts

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.*

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

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.

Finding: Contracts were not subject to public bid 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).

Finding: No exceptions noted.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Finding: No contracts were amended during the fiscal period.

- 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.

Finding: No exceptions noted.

Payroll and Personnel

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.

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

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.)

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

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

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

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

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

- 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' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Finding: There were no employees terminated.

- 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.

Finding: The employee and employer portions of payroll taxes and reporting forms were submitted to the applicable agencies by the required deadlines. The Fire District does not have a retirement plan and does not pay health insurance premiums and workers compensation premiums.

Ethics (excluding nonprofits)

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Finding: No exceptions noted.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Finding: The Fire District does not have an ethics policy.

Debt Service (excluding nonprofits)

- 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.

Finding: No bonds/notes were 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.

To the Board of Directors of
Evangeline Parish Ward One Fire District No. 2
and the Louisiana Legislative Auditor:
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obtain supporting documentation for the reserve balance and payments and agree actual reserve balances and payments to those required by debt covenants.

Finding: No bonds/notes were issued.

Other

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 entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Finding: The notice is posted on the premises. The Fire District does not have a website.

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

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

John S. Dowling & Company

Opelousas, Louisiana
May 20, 2019

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

Management Responses to Statewide Agreed-upon Procedures Exceptions
For the Year ending December 31, 2018

Written Policies and Procedures

1.
 - a) Budgeting
 - b) Purchasing
 - c) Disbursements
 - d) Receipts/Collections
 - e) Payroll/Personnel
 - f) Contracting
 - g) Credit Cards
 - h) Travel and expense reimbursement
 - i) Ethics
 - j) Debt Service
 - The board is in the process of developing policies and procedures for the Fire District. Until they are completed, the Fire District will follow the City of Ville Platte's policies and procedures.

Board

2.
 - b) For those entities reporting on the governmental accounting model, 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. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - Monthly budget-to-actual comparison is not presented due to the lack of time and attendance by board members at monthly meetings.

Bank Reconciliations

3.
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged);
 - The Board will let the CPA firm completing the bank reconciliations know that they need to include the date that the reconciliation is completed on the bank reconciliation. The Board will try to begin reviewing the bank reconciliations at each monthly meeting.

Collections

7.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - Since the board members are volunteers with full time jobs, it is difficult for them to deposit the checks within one day of receiving the check. In the future, the Board members will do their best to deposit the checks as close to the receipt date as possible.