

**WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana**

**Financial Statements**

**Year Ended December 31, 2017**

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	5
Statement of activities	6
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental fund - General Fund	8
Reconciliation of the governmental fund balance sheet to the statement of net position	9
Statement of revenues, expenditures, and changes in fund balance- governmental fund - General Fund	10
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental fund to the statement of activities	11
Notes to basic financial statements	12-20
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule	22
Notes to the required supplementary information	23
INTERNAL CONTROL AND COMPLIANCE	
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 <i>Government Auditing Standards</i>	25-26
Summary schedule of current and prior year audit findings and corrective action plan	27

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

\* A Professional Accounting Corporation

## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors  
Ward Four Fire Protection District  
Pine Prairie, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Ward Four Fire Protection District (District) as of and for the year ended December 31, 2017, 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 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 District, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that budgetary comparison information (page 22) 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2018, 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

Ville Platte, Louisiana  
May 3, 2018

## **BASIC FINANCIAL STATEMENTS**

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

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Statement of Net Position  
December 31, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and interest-bearing deposits	\$ 999,564
Receivables, net	500,128
Capital assets, net	<u>1,071,098</u>
Total assets	<u>2,570,790</u>
<b>LIABILITIES</b>	
Interest payable	1,859
Long-term liabilities:	
Portion due within one year -	
Capital lease payable	34,325
Certificates of Indebtedness payable	40,000
Portion due after one year -	
Capital lease payable	35,342
Certificates of Indebtedness payable	<u>210,000</u>
Total liabilities	<u>321,526</u>
<b>NET POSITION</b>	
Net investment in capital assets	751,432
Unrestricted	<u>1,497,832</u>
Total net position	<u>\$2,249,264</u>

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

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Statement of Activities  
For the Year Ended December 31, 2017

	Governmental Activities
Expenses:	
Public safety	\$ 272,833
Interest on long-term debt	<u>8,969</u>
Total governmental activities expenses	<u>281,802</u>
General revenues:	
Ad valorem taxes	637,441
State revenue sharing	13,853
Fire insurance rebate	8,474
Interest and investment earnings	2,434
Miscellaneous	<u>1,800</u>
Total general revenues	<u>664,002</u>
Change in net position	382,200
Net position, January 1, 2017	<u>1,867,064</u>
Net position, December 31, 2017	<u>\$2,249,264</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Balance Sheet  
Governmental Fund - General Fund  
December 31, 2017

ASSETS

Cash and interest-bearing deposits	\$ 999,564
Receivables, net	<u>500,128</u>
Total assets	<u>\$1,499,692</u>

DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Deferred inflows of resources:	
Unavailable revenue - property taxes	119,990
Fund balance - unassigned	<u>1,379,702</u>
Total deferred inflows of resources and fund balance	<u>\$1,499,692</u>

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

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2017

Total fund balance for the governmental fund at December 31, 2017		\$1,379,702
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:		
Building and improvements, net of \$165,414 accumulated depreciation	\$188,664	
Equipment, net of \$467,012 accumulated depreciation	<u>882,434</u>	1,071,098
Revenues that have been deferred are unearned in the governmental funds but are recognized as revenue in the government-wide financial statements		
		119,990
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:		
Interest payable	(1,859)	
Capital lease payable	(69,667)	
Certificates of indebtedness payable	<u>(250,000)</u>	<u>(321,526)</u>
Net position at December 31, 2017		<u>\$2,249,264</u>

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

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund - General Fund  
For the Year Ended December 31, 2017

Revenues:	
Ad valorem tax	\$ 517,451
State revenue sharing	13,853
Fire insurance rebate	8,474
Miscellaneous income	1,800
Interest income	2,434
Total revenues	<u>544,012</u>
Expenditures:	
Current -	
Public safety:	
Advertising	1,065
Dues	308
Fire insurance rebate	8,474
Fuel	2,227
Insurance	36,928
Mileage reimbursement	500
Miscellaneous	2,639
Office	3,562
Outside services	17,878
Assessor deductions	16,410
Professional fees	10,150
Repairs and maintenance	22,162
Supplies	26,321
Training	2,666
Utilities	14,822
Volunteer firemen	14,490
Capital outlay	36,472
Debt service -	
Principal retirement	81,837
Interest	9,138
Total expenditures	<u>308,049</u>
Excess of revenues over expenditures	235,963
Fund balance, beginning	<u>1,143,739</u>
Fund balance, ending	<u>\$1,379,702</u>

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

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, 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, 2017

Total change in fund balance for the year ended December 31, 2017 per statement of revenues, expenditures and changes in fund balance		\$ 235,963
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	\$ 36,472	
Depreciation expense	<u>(92,231)</u>	(55,759)
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		119,990
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		
Bond principal payments	48,500	
Capital lease principal payments	<u>33,337</u>	81,837
Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds		
Net decrease in interest payable		<u>169</u>
Change in net position for the year ended December 31, 2017 per statement of activities		<u>\$ 382,200</u>

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

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Ward Four Fire Protection District (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 Ward Four Fire Protection District was 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 its designated Evangeline Parish area. This report includes all funds and activities that are controlled by the District as an independent political subdivision of the State of Louisiana. There are no component units required to be reported in conformity with generally accepted accounting principles. The Board of Commissioners are solely responsible for the operations which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Board members receive no compensation.

The District serves approximately 120 households and has no employees. All firemen are volunteers.

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.

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Notes to Basic Financial Statements (Continued)

The fund of the 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 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 District and is used to account for the operations of the District's office. The various fees and charges due to the 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.

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.

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Notes to 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.

Program Revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Use of Restricted Resources

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, 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 District.

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Notes to Basic Financial Statements (Continued)

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. Uncollectible ad valorem taxes are recognized as bad debts through the establishment of an allowance account. An allowance in the amount of \$15,761 was established at December 31, 2017.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The 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	10-40 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 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. The long-term debt consists primarily of certificates of indebtedness payable.

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.

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Notes to Basic Financial Statements (Continued)

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 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.
- 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 District’s Board, which is the highest level of decision-making authority for the District.

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Notes to Basic Financial Statements (Continued)

- 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 District’s adopted policy, only the District Board 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 District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its 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.

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2017, the District has cash and interest-bearing deposits (book balances) totaling \$999,564, as follows:

Demand deposits	\$ 74
Time and money market deposits	<u>999,490</u>
Total	<u>\$999,564</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District’s deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2017, are secured as follows:

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Notes to Basic Financial Statements (Continued)

Bank balances	<u>\$ 999,796</u>
Federal deposit insurance	553,237
Pledged securities	<u>446,559</u>
Total	<u>\$ 999,796</u>

Deposits in the amount of \$446,559 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department, but not in the District's name. The District does not have a policy for custodial credit risk.

(3) Capital Assets

Capital asset balances and activity for the year ended December 31, 2017 are as follows:

	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
Buildings and improvements	\$ 354,078	\$ -	\$ -	\$ 354,078
Equipment	<u>1,312,974</u>	<u>36,472</u>	<u>-</u>	<u>1,349,446</u>
Total	1,667,052	36,472	-	1,703,524
Less accumulated depreciation	<u>540,195</u>	<u>92,231</u>	<u>-</u>	<u>632,426</u>
Net capital assets	<u>\$ 1,126,857</u>	<u>\$ (55,759)</u>	<u>\$ -</u>	<u>\$ 1,071,098</u>

Depreciation expense of \$92,231 was charged to the public safety function.

(4) 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 in December. Billed taxes become delinquent on January 1 of the following year. The taxes are collected and remitted to the District by the Evangeline Parish Sheriff's office.

For the year ended December 31, 2017, taxes of 10.18 mills were levied on property with assessed valuations totaling \$50,928,347. Total taxes levied in 2017 were \$518,450. Ad valorem taxes receivable at December 31, 2017 were \$486,275, net of an allowance for uncollectible taxes of \$15,761.

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities transactions for the year ended December 31, 2017.

	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017	Amount due in one year
Certificates of indebtedness	\$ 298,500	\$ -	\$ 48,500	\$ 250,000	\$ 40,000
Capital lease	103,004	-	33,337	69,667	34,325
	<u>\$ 401,504</u>	<u>\$ -</u>	<u>\$ 81,837</u>	<u>\$ 319,667</u>	<u>\$ 74,325</u>

Certificates of indebtedness payable at December 31, 2017, consist of the following:

\$382,500 Certificates of Indebtedness, Series 2013B, dated May 10, 2013, for the purpose of acquiring, constructing and improving fire protection facilities and equipment, including fire trucks, due in annual installments of \$40,000 to \$60,000 through September 1, 2022, at an interest rate of 1.70% to 2.70%, secured by excess annual revenues of the general fund. \$ 250,000

The certificates of indebtedness are due as follows:

Year ending December 31,	Principal	Interest
2018	\$ 40,000	\$ 5,578
2019	45,000	4,897
2020	50,000	4,043
2021	55,000	2,967
2022	<u>60,000</u>	<u>1,620</u>
	<u>\$ 250,000</u>	<u>\$ 19,105</u>

The District is obligated under one capital lease which is included in capital assets at December 31, 2017 as follows:

Equipment	\$ 267,717
Less accumulated depreciation	<u>47,594</u>
Net capital asset	<u>\$ 220,123</u>

Amortization of leased equipment under capital assets is included with depreciation expense. The following is a schedule of future minimum lease payments under the lease and the present value of the net minimum lease payments at December 31, 2017:

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Notes to Basic Financial Statements (Continued)

Fiscal Year	Amount
2018	\$36,390
2019	36,389
Total minimum lease payments	72,779
Less amount representing interest	(3,112)
Present value of minimum lease payments	\$69,667

(6) Board Members' Compensation

No per diem or other compensation is paid to board members of the District.

(7) Compensation, Benefits, and Other Payments to District Chief

A detail of compensation, benefits, and other payments paid to Bryan Wyles, District Chief, for the year ended December 31, 2017 follows:

Purpose	Amount
Contract labor	\$7,200
Cell phone allowance	960
Meal reimbursement	33
Mileage reimbursement	181
	\$8,374

(8) Tax Abatements

The District is subject to property tax abatements for a lease agreement between the Industrial Development Board and Pine Prairie Energy Center, LLC, in connection with, the issuance of the \$50,000,000 Industrial Development Revenue Bonds, which allowed for the exemption of ad valorem taxes. This agreement, which was approved by the Evangeline Parish Police Jury, is for the inducement of economic development in Evangeline Parish. The tax exemption will continue for the term of the lease. For the year ended December 31, 2017 the District abated ad valorem tax in the amount of \$216,192.

(8) Risk Management

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

(9) Litigation

At December 31, 2017, there is no litigation pending against the District.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

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

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Ad valorem tax	\$ 470,000	\$ 495,875	\$ 517,451	\$21,576
State revenue sharing	8,000	10,134	13,853	3,719
Fire insurance rebate	11,000	12,711	8,474	(4,237)
Miscellaneous income	4,000	1,858	1,800	(58)
Interest income	500	700	2,434	1,734
Total revenues	<u>493,500</u>	<u>521,278</u>	<u>544,012</u>	<u>22,734</u>
<b>Expenditures:</b>				
Current -				
Public safety:				
Advertising	900	1,025	1,065	(40)
Dues	300	308	308	-
Fire insurance rebate	11,000	12,711	8,474	4,237
Fuel	1,500	2,236	2,227	9
Insurance	37,000	36,928	36,928	-
Mileage reimbursement	-	-	500	(500)
Miscellaneous	16,000	35,973	2,639	33,334
Office	2,000	3,759	3,562	197
Outside services	29,000	54,181	17,878	36,303
Assessor deductions	-	-	16,410	(16,410)
Professional fees	9,000	10,150	10,150	-
Repairs and maintenance	11,900	13,648	22,162	(8,514)
Supplies	14,000	34,610	26,321	8,289
Training	3,500	5,161	2,666	2,495
Utilities	12,000	14,623	14,822	(199)
Volunteer firemen	-	-	14,490	(14,490)
Capital outlay	100,000	-	36,472	(36,472)
Debt service -				
Principal retirement	81,837	81,837	81,837	-
Interest	3,286	6,095	9,138	(3,043)
Total expenditures	<u>333,223</u>	<u>313,245</u>	<u>308,049</u>	<u>5,196</u>
Excess of revenues over expenditures	160,277	208,033	235,963	27,930
Fund balance, beginning	<u>1,240,738</u>	<u>1,143,739</u>	<u>1,143,739</u>	<u>-</u>
Fund balance, ending	<u>\$1,401,015</u>	<u>\$1,351,772</u>	<u>\$1,379,702</u>	<u>\$27,930</u>

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Notes to the Required Supplementary Information  
For the Year Ended December 31, 2017

(1) Budgets and Budgetary Accounting

The Ward Four Fire Protection District 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 Ward Four Fire Protection District. Such amendments were not material in relation to the original appropriations.

**INTERNAL CONTROL  
AND  
COMPLIANCE**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

## 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*

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\* A Professional Accounting Corporation

To the Board of Directors  
Ward Four Fire Protection District  
Pine Prairie, 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 Ward Four Fire Protection District (District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 3, 2018.

### 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 2017-002 to be a material weakness.

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. We consider deficiency 2017-001 described in the accompanying summary schedule of current and prior year audit findings and corrective action plan to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Ward Four Fire Protection 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 2017-003.

## **Ward Four Fire Protection District's Response to Findings**

The Ward Four Fire Protection 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 corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

Ville Platte, Louisiana  
May 3, 2018

WARD FOUR FIRE PROTECTION DISTRICT  
Pine Prairie, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
For the Year Ended December 31, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
<u>CURRENT YEAR (12/31/2017) --</u>						
<u>Internal Control:</u>						
2017-001	Unknown	Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Durwin K. Carter, Chairman	N/A
2017-002	2013	The District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The District has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Durwin K. Carter, Chairman	N/A
<u>Compliance:</u>						
2017-003	2017	The District did not comply with the requirements of LRS 38:2212, the Louisiana public bid law, when purchasing equipment costing in excess of \$30,000.	No	All requirements of the public bid law will be followed in the future.	Durwin K. Carter, Chairman	Immediately
<u>PRIOR YEAR (12/31/2016) --</u>						
<u>Internal Control:</u>						
2016-001	Unknown	Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Durwin K. Carter, Chairman	N/A
2016-002	2013	The District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The District has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Durwin K. Carter, Chairman	N/A
<u>Compliance:</u>						
2016-003	2016	The District did not comply with the public participation requirements of the Local Government Budget Act, LRS 39:1307, for the 2016 proposed budget.	Yes		Durwin K. Carter, Chairman	

**WARD FOUR FIRE PROTECTION DISTRICT  
Ville Platte, Louisiana**

**Statewide Agreed-Upon Procedures Report  
Year Ended December 31, 2017**

# KOLDER, SLAVEN & COMPANY, LLC

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Lafayette, LA 70508  
Phone (337) 232-4141

11929 Bricksome Ave.  
Baton Rouge, LA 70816  
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Alexandria, LA 71301  
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New Iberia, LA 70560  
Phone (337) 367-9204

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Abbeville, LA 70510  
Phone (337) 893-7944

1234 David Dr. Ste. 203  
Morgan City, LA 70380  
Phone (985) 384-2020

434 E. Main St.  
Ville Platte, LA 70586  
Phone (337) 363-2792

332 W. Sixth Ave.  
Oberlin, LA 70655  
Phone (337) 639-4737

\* A Professional Accounting Corporation

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

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To the Management of the Ward Four Fire Protection District  
And Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Ward Four Fire Protection District and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The entity's management is responsible for those C/C areas identified in the SAUPs.

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

### ***Written Policies and Procedures***

---

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

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

*Written policies and procedures were obtained and address the functions noted above.*

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.

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

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

*Not applicable.*

- 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.

*Written policies and procedures were obtained and address the functions noted above.*

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

*Not applicable.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

*Written policies and procedures were obtained and address the functions noted above.*

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

*No written policies and procedures were noted.*

**Board (or Finance Committee, if applicable)**

---

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

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

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met at least monthly.*

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

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes did not include monthly budget-to-actual comparisons on the General Fund.*

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

*No budget-to-actual comparisons were noted.*

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

*Obtained and reviewed the minutes of the managing board for the fiscal period noting that there were approvals of contracts/disbursements in at least one meeting during the fiscal period.*

### ***Bank Reconciliations***

---

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

*Obtained listing of client bank accounts from management and management's representation that listing is complete.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

*Obtained bank statements and reconciliations for all months in the fiscal period noting that reconciliations have been prepared for all months.*

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

*Obtained bank statements and reconciliations for all months in the fiscal period noting there was no evidence of management review on the bank reconciliations.*

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

*There were no outstanding checks noted more than six months old.*

### ***Collections***

---

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

*Obtained listing of cash collection locations and management's representation that listing is complete*

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

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

*The person responsible for collecting cash was not bonded.*

*The person responsible for collecting cash does not deposit cash in the bank, record the related transaction or reconcile the bank account.*

*No cash drawers are needed.*

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

*There is no formal process to reconcile cash collections to the general ledger by revenue source, by a person who is not responsible for cash collections.*

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

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

*We were unable to determine the number of days between collection and deposit.*

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

*No exceptions noted.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*There is no process specifically defined to determine completeness of all collections by a person who is not responsible for collections.*

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

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

*Listing of disbursements and management's representation that the listing is complete was obtained.*

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

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

*Two exceptions were noted.*

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

*No exceptions noted.*

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

*Payments were processed on two purchases that did not have a purchase order. Ten purchases were accompanied by an invoice that was not formally approved.*

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

*The person responsible for processing payments is not prohibited from adding vendors to the purchasing system.*

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

*No exceptions noted.*

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

*The supply of unused checks is in a locked location.*

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

*A signature stamp or signature machine is not utilized.*

*Credit Cards/Debit Cards/Fuel Cards/P-Cards (This section is N/A)*

---

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*No credit cards are maintained.*

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

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.])
- b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

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

### ***Travel and Expense Reimbursement***

---

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

*Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.*

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

*Upon review of the travel policy, per diem for meals could exceed the GSA rates.*

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

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

*No exceptions noted.*

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*Not applicable for sample tested.*

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

*Documentation of public purpose was not sufficient.*

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

*Mileage log was not utilized.*

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

*No exceptions noted.*

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

*Expense was not reviewed and approved in writing by someone other than the person receiving the reimbursement.*

### ***Contracts***

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

*Listing of all contracts in effect during the fiscal period and management’s representation that the listing is complete was obtained.*

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

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

*One contract vendor did not have a formal written contract.*

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*Contracts were not amended.*

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

*One vendor did not have a formal written contract. No exceptions were noted on the other four contracts.*

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

*Documentation of board approval was noted for one contract.*

***Payroll and Personnel (This section is N/A)***

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- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
  - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
  
- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
  - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
  
- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
  
- 25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

***Ethics (excluding nonprofits) (This section is N/A)***

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26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity-maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

***Debt Service (excluding nonprofits)***

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

*No debt was issued during the fiscal period.*

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

*No exceptions were noted.*

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

*Not applicable.*

***Other***

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

*Management has asserted that the entity did not have any misappropriations of public funds or assets.*

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

*Required notice was not posted on the entity’s premises. No website is maintained.*

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

*No exceptions noted.*

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

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

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

Ville Platte, Louisiana  
May 3, 2018