

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

FINANCIAL REPORT

As of December 31, 2021

**THIBODEAUX ACCOUNTING COMPANY
A LIMITED LIABILITY COMPANY
POST OFFICE BOX 34
RAYNE, LOUISIANA 70578**

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

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THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

INDEPENDENT AUDITOR'S REPORT

To Chairman Lee Hebert and the Board of Directors of
Fire Protection District No. 9 of
the Parish of Acadia, State of Louisiana
Rayne, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fire Protection District No. 9 of the Parish of Acadia, Rayne, Louisiana (the District), a component unit of the Acadia Parish Policy Jury, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Fire Protection District No. 9 of the Parish of Acadia as of December 31, 2021, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that,

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Fire Protection District No. 9 of
the Parish of Acadia

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis information 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in United States of America require that the budgetary comparison information on page 22 be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer on page 24, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including

Fire Protection District No. 9 of
the Parish of Acadia

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022, on our consideration of the Fire Protection District No. 9 of the Parish of Acadia'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Thibodeaux Accounting Company
Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
June 27, 2022

BASIC FINANCIAL STATEMENTS

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

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

STATEMENT OF NET POSITION
December 31, 2021

With Comparative Actual Amounts for Year Ended December 31, 2020

	<u>GOVERNMENTAL ACTIVITIES</u>	
<u>ASSETS</u>	2021	(Memo Only) 2020
Current Assets:		
Cash and cash equivalents	\$ 182,340	\$ 449,944
Taxes receivable, net	368,754	388,795
Prepaid expenses	33,034	33,230
Total current assets	\$ 584,128	\$ 871,969
Noncurrent Assets:		
Restricted assets	\$ 1,466,954	\$ 1,220,869
Capital assets (net)	1,240,844	923,373
Total noncurrent assets	\$ 2,707,798	\$ 2,144,242
Total Assets	\$ 3,291,926	\$ 3,016,211
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts and other payables	\$ 24,444	\$ 15,511
Bonds payable	-	-
Total current liabilities	\$ 24,444	\$ 15,511
Long-Term Liabilities:		
Bonds payable	\$ -	\$ -
Total long-term liabilities	\$ -	\$ -
Total Liabilities	\$ 24,444	\$ 15,511
<u>NET POSITION</u>		
Net investment in capital assets	\$ 1,240,844	\$ 923,373
Restricted for debt service	-	-
Unrestricted	2,026,638	2,077,327
Total Net Position	\$ 3,267,482	\$ 3,000,700

The Accompanying Notes Are An Integral Part of
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021**

With Comparative Actual Amounts for Year Ended December 31, 2020

	<u>GOVERNMENTAL ACTIVITIES</u>	
		(Memo Only)
	<u>2021</u>	<u>2020</u>
<u>EXPENSES</u>		
General Government:		
Finance and administration	\$ 123,144	\$ 135,157
Interest on long-term debt	-	2,180
Depreciation	120,188	139,601
Total Expenses	<u>\$ 243,332</u>	<u>\$ 276,938</u>
 <u>GENERAL REVENUES</u>		
Ad valorem taxes	\$ 455,644	\$ 459,599
Intergovernmental revenue - fire insurance rebate	49,894	50,022
Interest income	4,576	10,688
Insurance claim	-	10,183
Sale of Equipment	-	-
Other income	-	1,062
Total General Revenues	<u>\$ 510,114</u>	<u>\$ 531,554</u>
 Change in Net Position	 \$ 266,782	 \$ 254,616
Net Position, Beginning of Year	<u>3,000,700</u>	<u>2,746,084</u>
Net Position, End of Year	<u>\$ 3,267,482</u>	<u>\$ 3,000,700</u>

The Accompanying Notes Are An Integral Part Of
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FUND FINANCIAL STATEMENTS (FSS)

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2021**

With Comparative Actual Amounts for Year Ended December 31, 2020

<u>ASSETS</u>	<u>General Fund</u>	<u>Total (Memorandum Only)</u>	
		<u>2021</u>	<u>2020</u>
Current Assets:			
Cash and cash equivalents	\$ 182,340	\$ 182,340	\$ 449,944
Restricted assets	1,466,954	1,466,954	1,220,869
Taxes receivable, net	368,754	368,754	388,795
Prepaid expenses	33,034	33,034	33,230
Total Assets	<u>\$ 2,051,082</u>	<u>\$ 2,051,082</u>	<u>\$ 2,092,838</u>
<u>LIABILITIES & FUND BALANCES</u>			
Current Liabilities:			
Accounts and other payables	\$ 24,444	\$ 24,444	\$ 15,511
Fund Balances:			
Restricted for debt service	\$ 1,466,954	\$ 1,466,954	\$ 1,220,869
Nonspendable, prepaid expenses	33,034	33,034	33,230
Unassigned	526,650	526,650	823,228
Total Fund Balances	<u>\$ 2,026,638</u>	<u>\$ 2,026,638</u>	<u>\$ 2,077,327</u>
Total Liabilities and Fund Balances	<u>\$ 2,051,082</u>	<u>\$ 2,051,082</u>	<u>\$ 2,092,838</u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2021

	<u>2021</u>
Total fund balance for governmental funds	\$ 2,026,638
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	5,000
Buildings and improvements, net of \$172,332 accumulated depreciation	678,781
Equipment, net of \$2,008,145 accumulated depreciation	<u>557,063</u>
Total net position of governmental activities	<u><u>\$ 3,267,482</u></u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
For the Year Ended December 31, 2021

With Comparative Actual Amounts for Year Ended December 31, 2020

<u>REVENUES</u>	General Fund	Total (Memorandum Only)	
		2021	2020
Ad valorem taxes	\$ 455,644	\$ 455,644	\$ 459,599
Intergovernmental revenues - fire insurance rebate	49,894	49,894	50,022
Interest income	4,576	4,576	10,688
Insurance claim	-	-	10,183
Sale of equipment	-	-	-
Other income	-	-	1,062
Total Revenues	<u>\$ 510,114</u>	<u>\$ 510,114</u>	<u>\$ 531,554</u>
 <u>EXPENDITURES</u>			
General Government:			
Finance and administration	\$ 123,144	\$ 123,144	\$ 135,157
Capital outlay	437,659	437,659	9,008
Debt Service:			
Principle retirement	-	-	109,000
Interest and fiscal changes	-	-	2,180
Total Expenditures	<u>\$ 560,803</u>	<u>\$ 560,803</u>	<u>\$ 255,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (50,689)</u>	<u>\$ (50,689)</u>	<u>\$ 276,209</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ -	\$ 111,180
Transfers out	-	-	(111,180)
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ (50,689)	\$ (50,689)	\$ 276,209
Fund Balance, Beginning of Year	<u>2,077,327</u>	<u>2,077,327</u>	<u>1,801,118</u>
Fund Balance, End of Year	<u>\$ 2,026,638</u>	<u>\$ 2,026,638</u>	<u>\$ 2,077,327</u>

The Accompanying Notes Are An Integral Part Of
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO CHANGE IN NET POSITION FOR THE
STATEMENT OF ACTIVITIES
December 31, 2021

	2021
Net change in fund balance - governmental fund	\$ (50,689)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p style="padding-left: 20px;">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.</p>	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	437,659
Depreciation expense for the year then ended	(120,188)
Change in net position for statement of activities	\$ 266,782

The Accompanying Notes Are An Integral Part of
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

Note 1. Summary of Significant Accounting Policies:

(A) Financial Reporting Entity

The Fire Protection District No. 9 of the Parish of Acadia, State of Louisiana was created as a fire protection district by resolution of the Police Jury of the Parish of Acadia, State of Louisiana on January 11, 2000 to provide fire protection services for the City of Rayne and certain rural communities. The district shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The district shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary or proper for effective fire prevention and control.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Acadia Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

The district was determined to be a component unit of the Acadia Parish Police Jury financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Acadia Parish Policy Jury maintains fiscal and budgetary control over the District and must approve any holding of an election or incurring of debt or levy of any taxes or parcel fees by the board.

(B) Basis of Presentation

The accompanying basic financial statements of the Fire Protection District No. 9 of the Parish of Acadia, State of Louisiana (hereafter referred to as the District) have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

(C) Fund Accounting

The District uses funds to maintain its financial records and report the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the District's general activities including the collection and disbursements of specific or legally restrictive monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The following is a description of the District's governmental funds:

- a. General Fund – the primary operating fund of the District and it accounts for all financial resources, except those required to be account for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

(D) Measurement Focus, Basis of Accounting and Financial Statement Presentation

Fund Financial Statements

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

The amounts reflected in the Governmental Funds use the modified accrual basis of accounting. Under this basis of accounting, revenues are generally recognized when they both become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the year end. Ad valorem tax revenue and insurance rebate revenue are recorded when due. Substantially, all other revenues are recorded when received.

**FIRE PROTECTION DISTRICT NO. 9
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

Expenditures (including capital outlays) are generally recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due.

Government-Wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the financial activities of the Fire Protection District No. 9 of the Parish of Acadia as a whole. These statements include all the non-fiduciary activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem or property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(E) Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable government-wide financial statements, capital assets are capitalized at historical cost. 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 \$2,500 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	10 - 40 years
Equipment	5 - 15 years

(F) Fund Balance - Fund Financial Statements –

Fire Protection District No. 9 of Acadia Parish classifies fund balances of the governmental funds as follows:

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

Restricted- funds 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.

Committed- funds that are constrained by limitations that the government imposes on itself. These amounts are imposed at the highest level of authority. These amounts are binding unless removed in the same manner that it was imposed and any action must be taken prior to year-end.

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

Assigned- funds whose intended use has been established. These amounts can be, but are not required to be, imposed at the highest level of authority. They do not have to be binding and action does not have to be taken prior to year-end.

Unassigned- all other spendable amounts.

The District considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The District also considers committed fund balances to be spent first when other unrestricted fund balance classification is available for use.

(G) Deferred Outflows and Deferred Inflows

The District has determined that they have no deferred outflows or inflows as defined by GASB Statements No. 65.

(H) Net Position - Government-Wide Statements –

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

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

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted resources first, then unrestricted resources as they are needed.

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

(I) 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 expenses during the reporting period. Actual results could vary from those estimates.

(J) Encumbrances

Encumbrance accounting is employed as an extension of the formal budgetary process. Under this method, purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Any encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures of liabilities. There were no encumbrances outstanding at December 31, 2020 as the District does not utilize this method.

(K) Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Note 2. Cash and Investments

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 the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2021, the District had cash and interest-bearing deposits (book balances) totaling \$1,328,807, as follows:

Demand Deposits	\$1,328,807
-----------------	-------------

Custodial credit risks 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 always equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2021, are secured as follows:

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

Bank balances	<u>\$ 1,328,807</u>
Federal deposit insurance	\$ 872,185
Pledged Securities	199,104
Uninsured/Uncollateralized bank deposits	<u>257,518</u>
Total	<u><u>\$ 1,328,807</u></u>

Deposits in the amount of \$456,622 were exposed to custodial credit risk. \$199,104 of these deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name. \$257,518 of these deposits were uninsured and uncollateralized by securities. The District does not have a policy for custodial credit risk.

Note 3. Capital Assets

Capital assets and depreciation activities as of and for the year ended December 31, 2021 are as follows:

	<u>2021</u>			<u>Balance 12/31/2021</u>
	<u>Balance 12/31/2020</u>	<u>Additions</u>	<u>Retirements</u>	
Governmental activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 23,000	\$ 437,659	\$ -	\$ 460,659
Land	5,000	-	-	5,000
Total capital assets not being depreciated	<u>\$ 28,000</u>	<u>\$ 437,659</u>	<u>\$ -</u>	<u>\$ 465,659</u>
Capital assets being depreciated				
Buildings	\$ 390,453	\$ -	\$ -	\$ 390,453
Equipment	2,565,210	-	-	2,565,210
Total capital assets being depreciated	<u>\$ 2,955,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,955,663</u>
Less accumulated depreciation for:				
Buildings	\$ 161,805	\$ 10,526	\$ -	\$ 172,331
Equipment	1,898,485	109,662	-	2,008,147
Total accumulated depreciation	<u>\$ 2,060,290</u>	<u>\$ 120,188</u>	<u>\$ -</u>	<u>\$ 2,180,478</u>
Total capital assets	<u><u>\$ 923,373</u></u>	<u><u>\$ (120,188)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,240,844</u></u>

Total depreciation expense for the year ended December 31, 2021 was \$120,188.

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

Note 4. Ad Valorem Taxes

Ad Valorem Taxes attach as an enforceable lien on property as of January 1 of each year. 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 Tax Assessor of Acadia Parish and are collected by the Acadia Parish Sheriff. The taxes are remitted to the District net of deductions for Pension Fund contributions.

Taxes are budgeted and the revenue is recognized in the year they are billed.

A 10 year, 10 mill property tax renewal was passed by the voters of the District in October 2008 for the funding of fire protection for a period of ten (10) years, beginning with the year 2010 and ending with the year 2019. In November of 2019, the property tax renewal was passed by the voters of the District beginning with the year 2020 and ending with the year 2029. The millage was for the purpose of acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment in the district, including fire trucks, and paying the cost of obtaining water for fire protection purposes. For the year ended December 31, 2021, taxes of 10.00 mills were levied on property with taxable assessed valuations totaling \$45,564,402, net of the homestead exemption. Total taxes levied, exclusive of homestead exemptions, was \$455,644 for 2021, all of which is considered collectible.

Note 5. Prepaid Items

Prepaid items at December 31, 2021 consist of prepaid insurance.

Note 6. Compensated Absences

The District does not have any paid employees; therefore, it does not have a formal leave policy.

Note 7. Lease

A lease was signed with the City of Rayne to lease the land that the District's new facility will be built on. The lease was dated February 11, 2019 and is for a term of fifty (50) years commencing on January 1, 2019 and ending December 31, 2069 for \$1.00 per year. The District has the option to renew the lease under the same terms and conditions for an additional fifty (50) years.

Note 8. Risk Management

The District is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

Note 9. Litigation

As of December 31, 2021, there was no litigation or claims against the District.

Note 10. Related Party Transactions

There were no related party transactions during the period ended December 31, 2021.

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

Note 11. Evaluation of Subsequent Events

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the ongoing operations of the District; however, the extent and severity of the potential impact is unknown at this time. Subsequent events have been evaluated through June 27, 2022. This date represents the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
For the Year Ended December 31, 2021**

With Comparative Actual Amounts for the Year Ended December 31, 2020

	2021			Variance Favorable (Unfavorable)	(Memo Only) 2020 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Income - taxes	\$ 356,471	\$ 356,471	\$ 455,644	\$ 99,173	\$ 459,599
Insurance rebate	50,021	50,021	49,894	(127)	50,022
Miscellaneous income	1,026	1,026	-	(1,026)	1,062
Insurance claim	-	-	-	-	10,183
Sale of Equipment	-	-	-	-	-
Interest	-	-	4,576	4,576	10,688
Total Revenues	<u>\$ 407,518</u>	<u>\$ 407,518</u>	<u>\$ 510,114</u>	<u>\$ 102,596</u>	<u>\$ 531,554</u>
Expenditures:					
Current					
General government	\$ 94,410	\$ 94,410	\$ 123,144	\$ (28,734)	\$ 135,157
Capital outlay	207,381	207,381	437,659	(230,278)	9,008
Total Expenditures	<u>\$ 301,791</u>	<u>\$ 301,791</u>	<u>\$ 560,803</u>	<u>\$ (259,012)</u>	<u>\$ 144,165</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 105,727</u>	<u>\$ 105,727</u>	<u>\$ (50,689)</u>	<u>\$ (156,416)</u>	<u>\$ 387,389</u>
Other sources (uses)					
Operating transfers out	<u>\$ 111,180</u>	<u>\$ 111,180</u>	<u>\$ -</u>	<u>\$ (111,180)</u>	<u>\$ (111,180)</u>
Total other sources (uses)	<u>\$ 111,180</u>	<u>\$ 111,180</u>	<u>\$ -</u>	<u>\$ (111,180)</u>	<u>\$ (111,180)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 216,907	\$ 216,907	\$ (50,689)	\$ (267,596)	\$ 276,209
Fund Balance at Beginning of Year	<u>2,077,327</u>	<u>2,077,327</u>	<u>2,077,327</u>	<u>-</u>	<u>1,801,118</u>
Fund Balance at End of Year	<u><u>\$ 2,294,234</u></u>	<u><u>\$ 2,294,234</u></u>	<u><u>\$ 2,026,638</u></u>	<u><u>\$ (267,596)</u></u>	<u><u>\$ 2,077,327</u></u>

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the Year Ended December 31, 2021**

Agency Head Name: Lee Hebert, Chairman

Purpose	Amount
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<hr/>
	\$ -

See independent auditor's report.

INTERNAL CONTROL AND COMPLIANCE

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

To Chairman Lee Hebert and the Board of Directors
Fire Protection District No. 9 of
the Parish of Acadia, State of Louisiana
Rayne, 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 each major fund of the Fire Protection District No. 9 of the Parish of Acadia, Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Fire Protection District No. 9 of the Parish of Acadia's basic financial statements and have issued or report thereon dated June 27, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fire Protection District No. 9 of the Parish of Acadia'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 Fire Protection District No. 9 of the Parish of Acadia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fire Protection District No. 9 of the Parish of Acadia'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 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 over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and corrective action plan as 2021-1 and 2021-2 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fire Protection District No. 9 of the Parish of Acadia'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 four instances of noncompliance that is required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and correction action plan at 2021-3, 2021-4, 2021-5 and 2021-6.

Fire Protection District No. 9 of the Parish of Acadia's Response to Findings

The Fire Protection District No. 9 of the Parish of Acadia's response to the findings identified in our audit is described in the accompanying schedule of findings and corrective action plan. Fire Protection District No. 9 of the Parish of Acadia'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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
June 27, 2022

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2021

2020-1 Unqualified Staff to Apply GAAP

Condition: The Fire 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 the related notes.

Recommendation: The District should hire a CPA to prepare the financial statements; however, the District's personnel should review and take responsibility for the financial statements, including the related notes, and any adjusting journal entries.

Status: Unresolved.

2020-2 Inadequate Segregation of Duties

Condition: The Fire District has no employees. A board is appointed and maintains all financial records. Due to this fact, the Fire District did not have adequate segregation of duties to provide effective internal control.

Recommendation: No action is recommended.

Status: Unresolved.

2020-3 Failure to submit board minutes to the official journal.

Condition: The Fire District failed to submit minutes of its board meetings to the official journal in a timely fashion.

Recommendation: The District should educate themselves on this Louisiana Revised Statute 43 and comply with it in the future.

Status: Unresolved.

2020-4 Noncompliance with mandatory ethics education.

Condition: The District failed to have all board members complete the required one-hour ethics course.

Recommendation: The District should make sure that all public servants complete the course each calendar year, including all Board Members, and educate themselves on this statute to comply with this requirement.

Status: Resolved

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

Schedule of Current Year Findings and
Management's Responses and Corrective Action Plan
For the Year Ended December 31, 2021

PART I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the basic financial statements of the Fire Protection District No. 9 as of and for the year ended December 31, 2020.

Internal Control - Financial Reporting

There were two significant deficiencies in internal control on financial reporting that were disclosed during the audit of the financial statements for the period ended December 31, 2021 and are identified as 2021-1 and 2021-2.

Material Noncompliance – Financial Reporting

There were four instances of noncompliance that were disclosed during the audit of the financial statements for the period ended December 31, 2021 which are identified as 2021-3, 2021-4, 2021-5 and 2021-6.

PART II. FINDING RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2021-1 Unqualified Staff to Apply GAAP

Condition: The Fire 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 the related notes.

Criteria: The Fire District should be able to prepare financial statements in accordance with generally accepted accounting principles (GAAP) without any outside assistance.

Cause: The District's personnel lacks training in implementation of generally accepted accounting principles.

Effect: Financial statements may not be in accordance with GAAP. Misstatements in the financials may not be detected within a timely period.

Recommendation: The District should hire a CPA to prepare the financial statements; however, the District's personnel should review and take responsibility for the financial statements, including the related notes, and any adjusting journal entries.

Response: Management concurs.

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

Schedule of Current Year Findings and
Management's Responses and Corrective Action Plan
For the Year Ended December 31, 2021

Planned Corrective Action: The Fire 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 interest 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 and any adjusting journal entries.

2021-2 Inadequate Segregation of Duties

Condition: The Fire District has no employees. A board is appointed and maintains all financial records. Due to this fact, the Fire District did not have adequate segregation of duties to provide effective internal control.

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

Cause: The condition is due to economic and space limitations.

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

Recommendation: No action is recommended.

Response: Management concurs.

Planned Corrective Action: None as this condition is common to most agencies of this type with limited resources and is difficult to resolve due to the funding limitations.

2021-3 Finding: Failure to submit board minutes to the official journal

Condition: The Fire District failed to submit minutes of its board meetings to the official journal in a timely fashion.

Criteria: Louisiana Revised Statute 43 requires public bodies to publish its meeting minutes in its official journal.

Cause: The District did not submit its minutes of its board meetings to the official journal.

Effect: The District is out of compliance with Louisiana Revised Statute 43.

Recommendation: The District should educate themselves on this statute and comply with it in the future.

Response: Management concurs.

Planned Corrective Action: The District is aware of this statute. There is no estimated date of completion.

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

Schedule of Current Year Findings and
Management's Responses and Corrective Action Plan
For the Year Ended December 31, 2021

2021-4	<u>Bank balances were not secured by federal deposit insurance or pledged securities.</u>
Condition:	The District failed to have its deposits at all banks secured by federal deposit insurance or pledged securities.
Criteria:	Louisiana Revised Statute 39:1211 requires all bank balances to be covered by federal deposit insurance or pledged securities.
Cause:	The District did not confirm that all of its balances at all institutions were covered by federal deposit insurance or pledged securities and its balances at one institution were not fully covered.
Effect:	The District was out of compliance with state statute.
Recommendation:	The District should ensure that all of its bank balances are covered by federal deposit insurance or pledged securities.
Response:	Management concurs.
Planned Corrective Action:	The District will do everything recommended to ensure that they are in compliance with state statute.
2021-5	<u>Budget Violation</u>
Condition:	The District did not properly amend their budget and exceeded budgeted expenses and uses by 5% or more in the General Fund.
Criteria:	Louisiana Revised Statute 39:1311 states that total actual expenditures and other uses should not exceed budgeted expenditures and other uses by 5% or more.
Cause:	Management did not properly amend the budget.
Effect:	The District could spend funds in excess of budgeted amounts and be out of compliance with Louisiana Revised Statute 39:1311.
Recommendation:	The District will comply with Louisiana Revised Statutes 39:1309 and amend it's budget upon a change in operation or conditions.
Response:	Management concurs.
Planned Corrective Action:	The District will educate themselves on the budget requirements.
2021-6	<u>Failure to pay invoice</u>
Condition:	The District failed to pay a past due invoice and did not accrue it at year end.

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

Schedule of Current Year Findings and
Management's Responses and Corrective Action Plan
For the Year Ended December 31, 2021

Criteria:	Invoices should be paid upon receipt and the District should have a system in place to ensure all bills are paid timely.
Cause:	The District overlooked the invoice until the vendor brought it to their attention after year end.
Effect:	The District could owe vendors money they are not aware of.
Recommendation:	The District should have a system in place to ensure that all invoices are paid timely.
Response:	Management concurs.
Planned Corrective Action:	The District will devise a system to ensure that all invoices are paid timely and accurately.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Chairman Lee Hebert and the Board of Directors
Fire Protection District No. 9 of
The Parish of Acadia, State of Louisiana
And the Louisiana Legislative Auditor

June 27, 2022

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021- December 31, 2021. The Fire Protection District No. 9's (The District's) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021- December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the District's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the District's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
Exception noted. The District does not have any written policies and procedures.
 - 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.
Exception noted. The District does not have any written policies and procedures.
 - c) ***Disbursements***, including processing, reviewing, and approving
Exception noted. The District does not have any written policies and procedures.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Exception noted. The District does not have any written policies and procedures.

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- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
Exception noted. The District does not have any written policies and procedures.
- 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
Exception noted. The District does not have any written policies and procedures.
- 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).
Exception noted. The District does not have any written policies and procedures.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
Exception noted. The District does not have any written policies and procedures.
- 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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
Exception noted. The District does not have any written policies and procedures.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Exception noted. The District does not have any written policies and procedures.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
Exception noted. The District does not have any written policies and procedures.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
Exception noted. The District does not have any written policies and procedures.

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 documents.
Exception noted. There was no meeting held in July of 2021 due to a lack of a quorum.
 - 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, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
Exception noted. The monthly meeting minutes did not reference or include materials in respect to a monthly budget- to-actual comparison on the General Fund.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

Not applicable.

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 District's main operating account. Select the District'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 each selected account, and observe that:

Obtained a listing of client bank accounts for the fiscal period and management's representation that the listing is complete. Management identified the District's main operating account and four (4) additional accounts were randomly selected.

- 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);

Exception noted on all five bank accounts tested. Bank reconciliations were not prepared within 2 months of the related 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

Exceptions noted. Bank reconciliations did not include evidence that a member of management/board member had reviewed them.

- 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.

Not applicable.

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).

No deposit sites. The District only receives checks in the mail.

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, 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.

Not applicable.

- 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. prenumbered receipts) to the deposit.

Not applicable.

- 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.

Not applicable.

- d) The employees 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.

Not applicable.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Not applicable.

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 date if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

Randomly selected two (2) deposit dates for the bank accounts selected under procedures #3.

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

Not applicable.

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

Not applicable.

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

Not applicable.

- 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 and the cash is stored securely in a locked safe or drawer).

Not applicable.

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

Not applicable.

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

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).

The District only has one location. We obtained management's representation that the listing is complete.

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.

Not applicable.

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

Not applicable.

- 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.

Not applicable.

- 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.

Not applicable. All payments are made online.

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

Not applicable.

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Not applicable.

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

Not applicable

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.

Received listing from management. We obtained management's representation that the listing 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 whether 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) were reviewed and approved, in writing (or electronically approved), 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]

Exception noted.

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

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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exceptions noted. There was no written documentation of the business/public purpose.

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

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, observe the reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
Not applicable.
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
Not applicable.
 - c) Observe 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).
Not applicable.
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
Not applicable.

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. 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 whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
Not applicable.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
Not applicable.
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
Not applicable.
 - 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.
Not applicable.

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.

Not applicable. The District has no employees.

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 all selected employees or 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.)

Not applicable.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Not applicable.

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

Not applicable.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Not applicable

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the District's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Not applicable.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.

Not applicable.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the District's policy during the fiscal period, as applicable.

No exceptions noted.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

Not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the District reported the misappropriations to the legislative auditor and the district attorney of the parish in which the District is domiciled.

Not applicable.

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

Exception noted. The District did not have the notice posted on its premises but posted it as soon as advised.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g. tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Exception noted. Board members did not complete the one hour of sexual harassment training.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

Exception noted.

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

Exception noted.

- b) Number of sexual harassment complaints received by the agency;

Exception noted.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

Exception noted.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;

Exception noted.

- e) Amount of time it took to resolve each complaint.

Exception noted.

Management’s Response

The management of Fire Protection District #9 concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by Fire Protection District #9 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

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