

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE
CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2023

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

Annual Financial Statements
as of and for the Year Ended December 31, 2023
with Supplementary Information Schedules

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**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA**

Annual Financial Statements
as of and for the Year Ended December 31, 2023
with Supplementary Information Schedules

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Concordia Fire Protection District No. 2
Vidalia, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Concordia Fire Protection District No. 2 (the District), a component unit of Concordia Parish Police Jury, as of and for the year ended December 31, 2023, 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, the major fund, and the aggregate remaining fund information of the Concordia Fire Protection District No. 2 (the District), a component unit of the Concordia Parish Police Jury, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. 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 for Management 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.

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 Responsibilities 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 and *Government 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, 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 and *Government 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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 4 through 7 and pages 24 through 27 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to the Agency Head and the Schedule of Compensation Paid to Board Members are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, reimbursements, benefits, and other payments to the agency head and the schedule of compensation paid to board members are 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 22, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Silas Simmons, CPA". The signature is written in dark ink and is positioned above the typed name and date.

Natchez, Mississippi
June 22, 2024

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

INTRODUCTION

Our discussion and analysis of Concordia Fire Protection District No. 2 of Concordia Parish, Louisiana's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2023.

The District's boundaries are all of Concordia Parish except inside of the corporate limits of any municipality in Concordia Parish and inside of Monterey Fire Protection District No. 1. Concordia Parish is located in East Central Louisiana.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$1,224,982 and \$1,233,625 at December 31, 2023 and 2022, respectively.
- Total expenditures exceeded revenues by \$8,643 at December 31, 2023 and total revenues exceeded expenditures by \$85,108 at December 31, 2022, respectively.
- The District had net capital assets of \$484,490 and \$573,829 at December 31, 2023 and 2022, respectively.
- The total payroll was \$397,427 and \$333,563 at December 31, 2023 and 2022, respectively.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year.

The government-wide financial statements outline functions of the District that are principally supported by property taxes. Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 8 through 9 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The basic governmental fund financial statements can be found on pages 10 through 13 of this report.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table represents a condensed Statement of Net Position as of December 31, 2023 and 2022:

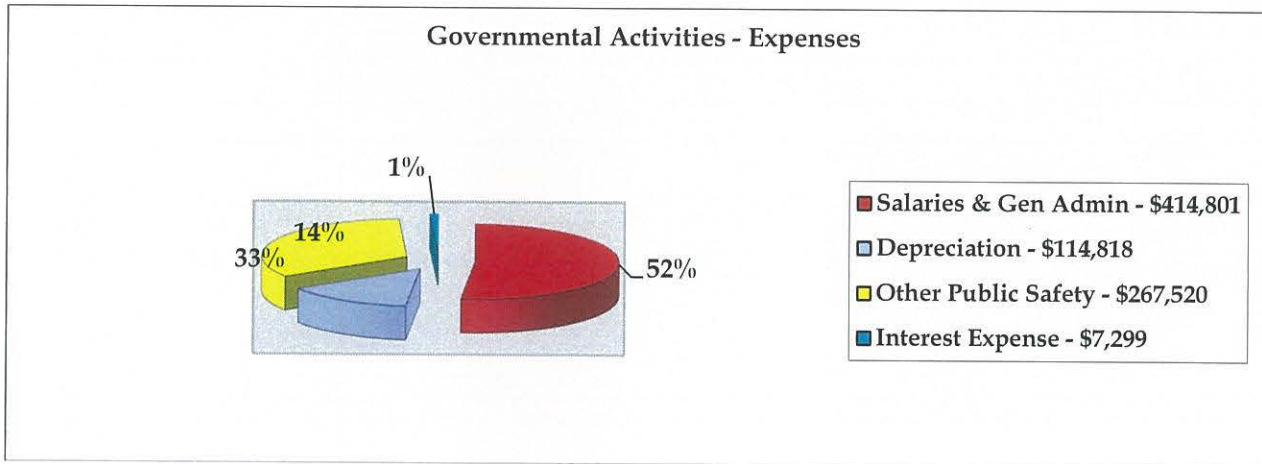
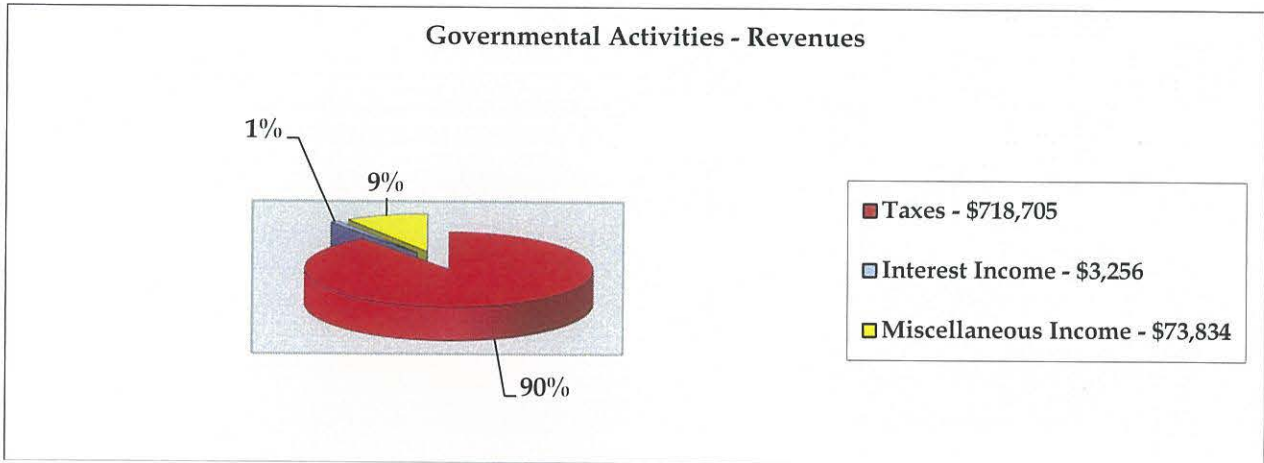
	<u>2023</u>	<u>2022</u>
Assets		
Current assets	\$ 1,038,578	\$ 979,526
Capital assets, net	<u>484,490</u>	<u>573,829</u>
Total assets	<u>\$ 1,523,068</u>	<u>\$ 1,553,355</u>
Deferred outflows of resources	<u>\$ 158,697</u>	<u>\$ 196,222</u>
Liabilities and Net Position		
Current liabilities	\$ 32,645	\$ 35,962
Noncurrent liabilities	<u>413,309</u>	<u>464,091</u>
Total liabilities	<u>\$ 445,954</u>	<u>\$ 500,053</u>
Deferred inflows of resources	<u>\$ 10,829</u>	<u>\$ 15,899</u>
Net Position		
Investment in capital assets, net of related debt	\$ 484,490	\$ 573,829
Unrestricted	<u>740,492</u>	<u>659,796</u>
Total net position	<u>\$ 1,224,982</u>	<u>\$ 1,233,625</u>

The following is a summary of the Statement of Activities for 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Revenues		
Taxes	\$ 718,705	\$ 751,249
Interest income	3,256	500
Miscellaneous	<u>73,834</u>	<u>81,218</u>
Total revenues	<u>\$ 795,795</u>	<u>\$ 832,967</u>
Expenses		
Salaries and related costs	\$ 397,427	\$ 333,563
General administrative	17,374	22,143
Depreciation	114,818	114,440
Other public safety	267,520	277,630
Interest expense	<u>7,299</u>	<u>83</u>
Total expenses	<u>\$ 804,438</u>	<u>\$ 747,859</u>
Increase in net position	<u>\$ (8,643)</u>	<u>\$ 85,108</u>
Net position, beginning of year	<u>\$ 1,233,625</u>	<u>\$ 1,148,517</u>
Net position, end of year	<u>\$ 1,224,982</u>	<u>\$ 1,233,625</u>

**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2023**

The following are graphical representations of information presented in the statement of activities for governmental activities in 2023:



GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget was amended once during the last year.

The actual general fund expenditures were \$7,135 less than budgeted amounts.

Revenues were \$62,516 less than budgeted amounts.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

CAPITAL ASSETS

At the end of the year, the District had capital assets of \$4,239,412, including land, buildings, furniture, fire-fighting equipment, and vehicles. Accumulated depreciation was \$3,754,922 at year-end. More detailed information about the District's capital assets is presented in Note 4 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Taking all factors into consideration, the District's general fund balance is expected to remain unchanged by the close of 2023.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Vick Brown, Fire Chief, Post Office Box 1150, Vidalia, Louisiana 71373, (318) 336-4658.

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS

Current assets

Cash and cash equivalents	\$ 318,066
Accounts receivable	<u>720,512</u>
Total assets	<u>\$ 1,038,578</u>

Capital assets

Capital assets, net of accumulated depreciation	\$ 484,490
Total capital assets	<u>\$ 484,490</u>

Total assets

\$ 1,523,068

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources

\$ 158,697

LIABILITIES

Current liabilities

Accounts payable	\$ 3,102
Capital leases payable	<u>29,543</u>
Total current liabilities	<u>\$ 32,645</u>

Long-term liabilities

Capital leases payable	\$ 97,242
Net pension liability	<u>316,067</u>
Total long-term liabilities	<u>\$ 413,309</u>

Total liabilities

\$ 445,954

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources

\$ 10,829

NET POSITION

Invested in capital assets	\$ 484,490
Unrestricted	<u>740,492</u>

Total net position

\$ 1,224,982

The accompanying notes are an integral part of this financial statement.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

GENERAL REVENUES

Taxes - ad valorem	\$ 718,705
Interest income	3,256
Miscellaneous revenues	<u>73,834</u>
Total general revenues	<u>\$ 795,795</u>

GENERAL EXPENSES

Governmental activities	
General government	\$ 17,374
Public safety	779,765
Interest expense	<u>7,299</u>
Total general expenses	<u>\$ 804,438</u>

Change in net position	<u>\$ (8,643)</u>
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Net position, beginning of year	<u>\$ 1,233,625</u>
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Net position, end of year	<u><u>\$ 1,224,982</u></u>
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The accompanying notes are an integral part of this financial statement.

SECTION III
FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

ASSETS

Current assets	
Cash and cash equivalents	\$ 318,066
Receivables, net	<u>720,512</u>
Total current assets	<u>\$ 1,038,578</u>

LIABILITIES AND FUND BALANCES

Current liabilities	
Accounts payable	<u>\$ 3,102</u>
Fund balance	
Unassigned	<u>\$ 1,035,476</u>
Total fund balance	<u>\$ 1,035,476</u>
Total liabilities and fund balance	<u>\$ 1,038,578</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Total Fund Balance – Governmental Fund (Statement C)	\$	1,035,476
<p>Amounts reported for governmental activities in the statement of net position (government-wide financial statements) are different because:</p>		
<p>Capital assets used by governmental activities are not financial resources and, therefore, are not reported in governmental funds.</p>		
Capital assets	\$ 4,239,412	
Less accumulated depreciation	<u>(3,754,922)</u>	484,490
<p>Deferred outflows and inflows are not financial resources or currently payable.</p>		
Deferred outflows	\$ 158,697	
Deferred inflows	<u>(10,829)</u>	147,868
<p>Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds:</p>		
Net pension liability	\$ (316,067)	
Capital lease payable	<u>(126,785)</u>	<u>(442,852)</u>
Total Net Position of Statement of Activities (Statement A)	\$	<u><u>1,224,982</u></u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

GENERAL REVENUES

Taxes - ad valorem	\$ 718,705
Interest income	3,256
Other revenues	<u>73,834</u>
Total revenues	<u>\$ 795,795</u>

GENERAL EXPENDITURES

Governmental activities	
General government	\$ 17,374
Public safety - fire	653,731
Capital outlay	25,479
Debt service	
Principal	28,215
Interest	<u>7,299</u>
Total expenditures	<u>\$ 732,098</u>

Net change in fund balance	<u>\$ 63,697</u>
Fund balance, beginning of year	<u>\$ 971,779</u>
Fund balance, end of year	<u>\$ 1,035,476</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balance - Governmental Fund (Statement E)	\$	63,697
Amounts reported for governmental activities in the statement of activities (government-wide financial statements) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount by which depreciation expense exceeds capital outlays expense in the period:		
Depreciation expense	\$ (114,818)	
Capital outlay	<u>25,479</u>	(89,339)
Net pension expense is reported in governmental funds as expenditures as they are paid. However, in the statement of activities, the net pension expense is reported according to estimates required by GASB 68.		
Pension expenses paid	\$ 65,949	
Pension expenses per GASB 68	<u>(77,165)</u>	(11,216)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Proceeds from loans are a revenue in the governmental funds, but increase long-term debt in the statement of net position.		
Repayment of Loans		<u>28,215</u>
Change in Net Position - Statement of Activities (Statement B)	\$	<u><u>(8,643)</u></u>

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

INTRODUCTION

1. Concordia Fire Protection District No. 2 was created October 9, 1989, by the Concordia Parish Police Jury by ordinance. The District operates in compliance with Part II, Title 40:1492-1502 of the Louisiana Revised Statutes.
2. The purpose of the District is to provide fire protection.
3. The District's boundaries are all of Concordia Parish except inside of the corporate limits of any municipality in Concordia Parish and inside of Monterey Fire Protection District No. 1. Concordia Parish is located in East Central Louisiana.
4. A Board of Supervisors appointed by the Concordia Parish Police Jury, which governs the District. The Board members are paid \$50 per meeting.
5. The District has two full-time employees and nine part-time employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of 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. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

B. Reporting Entity

The District does not possess all the corporate powers necessary to make it a legally separate entity from the Concordia Parish Police Jury, which holds the District's corporate powers. For this reason, the District is a component unit of the Concordia Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the District as a whole. These statements include all of the financial activities of the District. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus/Basis of Accounting (continued)

Fund Financial Statements

The amounts reflected in the Balance Sheet - Governmental Funds (Statement C) and the Statement of Revenues, Expenditures, and Changes In Fund Balance (Statement E) are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the Government-Wide Financial Statements. These adjustments are summarized in the financial statements at Statements D and F.

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

D. Fund Accounting

Governmental Funds

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

Governmental funds account for all or most of the District's general activities. 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 fund:

1. General Fund - the primary operating fund of the District, and it accounts for all financial resources, except those required to be accounted 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.

E. Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Receivables and Payables

All trade and property tax receivables are shown net of allowance for uncollectibles.

Property taxes are levied on a calendar-year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes for 2023:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Fire protection maintenance	6.94 mills	6.94 mills

G. 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 \$1,000 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets 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	40 years
Furniture and fixtures	5 years
Vehicles	5-7 years
Equipment	10-15 years

H. Compensated Absences

The District has the following policy relating to vacation and sick leave:

Vacation: After one year, an employee receives 18 calendar days' vacation. After 10 years, an employee receives one extra day vacation for each year of service over 10 years, up to a maximum of 30 days.

Sick leave: An employee is required to have a doctor's excuse for absences in excess of three days.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Fund Equity

Beginning with fiscal year 2013, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable Fund Balance* – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- *Restricted Fund Balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- *Committed Fund Balance* – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- *Unassigned Fund Balance* – amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The District establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the District through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the District strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

J. Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Estimates

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

L. Budget Practices

A proposed operating budget for the general fund, prepared on the modified accrual basis of accounting, is approved by the District and adopted in accordance with the Local Government Budget Law. The proposed operating budget is legally adopted and amended, as necessary, by the District. All appropriations lapse at year-end.

Formal budget integration is employed as a management control device. Budget amounts included in the accompanying financial statements include the original budget amounts and all subsequent amendments, if any.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2023, the District had cash and cash equivalents (book balances) totaling \$318,066. The cash was held in interest-bearing demand deposits.

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

At December 31, 2023, the District had \$347,325 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$97,325 in pledge securities.

NOTE 3 - RECEIVABLES

The receivables of \$720,512 at December 31, 2023, are as follows:

Ad valorem taxes	\$ 720,512
Less allowance for doubtful accounts	<u> -</u>
Total receivables	<u><u>\$ 720,512</u></u>

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activities as of and for the year ended December 31, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Buildings	\$ 527,847	\$ 7,763	\$ -	\$ 535,610
Equipment	<u>3,686,086</u>	<u>17,716</u>	<u>-</u>	<u>3,703,802</u>
Total capital assets being depreciated	<u>\$ 4,213,933</u>	<u>\$ 25,479</u>	<u>\$ -</u>	<u>\$ 4,239,412</u>
Less accumulated depreciation for:				
Buildings	\$ (392,179)	\$ (14,017)	\$ -	\$ (406,196)
Equipment	<u>(3,247,925)</u>	<u>(100,801)</u>	<u>-</u>	<u>(3,348,726)</u>
Total accumulated depreciation	<u>\$ (3,640,104)</u>	<u>\$ (114,818)</u>	<u>\$ -</u>	<u>\$ (3,754,922)</u>
Total capital assets being depreciated, net	<u>\$ 573,829</u>	<u>\$ (89,339)</u>	<u>\$ -</u>	<u>\$ 484,490</u>

Depreciation expense of \$114,818 for the year ended December 31, 2023, was charged to the public safety functions.

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable at December 31, 2023, are as follows:

Payroll taxes and retirement	\$ <u>3,102</u>
Total	\$ <u>3,102</u>

NOTE 6 - CAPITAL LEASE LIABILITY

The following is a summary of capital lease transactions for the year ended December 31, 2023:

Payable at January 1, 2023	\$ 155,000
Principal paid	<u>28,215</u>
Payable at December 31, 2023	<u>\$ 126,785</u>

Capital lease liability, as of December 31, 2023, was comprised of the following:

Capital lease due to Government Capital Corporation, issued October 7, 2022, in the amount of \$155,000 at an interest rate of 4.71%, due in five annual installments of \$35,514, including interest and principal. Secured by a rescue truck and pledge of revenue.	<u>\$ 126,785</u>
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CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 - CAPITAL LEASE LIABILITY (continued)

The annual capital lease payment requirements as of December 31, 2023, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2024	\$ 29,543	\$ 5,970	\$ 35,513
2025	30,935	4,579	35,514
2026	32,391	3,123	35,514
2027	33,916	1,597	35,513
Totals	<u>\$ 126,785</u>	<u>\$ 15,269</u>	<u>\$ 142,054</u>

NOTE 7 - PENSION PLAN DESCRIPTION AND BENEFITS

Plan Description - The District contributes to the Firefighters' Retirement System. The Plan is a cost-sharing, multiple-employer, defined-benefit pension plan. The Plan is administered by a board of trustees. The Plan provides retirement benefits, disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. Louisiana Revised Statutes 11:2551 grants the board of trustees the authority to establish and amend benefit provisions of the Plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the District reported a liability of \$316,067 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was .048426%.

For the year ended December 31, 2023, the District recognized pension expense of \$62,570 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$14,595. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,868	\$ 10,829
Changes of assumptions	19,125	-
Net difference between projected and actual earnings on pension plan investments	42,839	-
Changes in proportion and differences between District contributions and proportionate share of contributions	56,808	-
District contributions subsequent to the measurement date	<u>30,057</u>	<u>-</u>
Total	<u>\$ 158,697</u>	<u>\$ 10,829</u>

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

\$30,057 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$	27,467
2025		20,173
2026		51,638
2027		9,434
2028		7,292
2029		<u>1,807</u>
	<u>\$</u>	<u>117,811</u>

Actuarial Assumptions – The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Estimated remaining service life	Seven years, closed period
Investment rate of return	6.90% per annum (net of investment expenses, including inflation)
Inflation rate	2.50% per annum
Salary increase	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases
Cost-of-living adjustments	For the purpose of determining the present value of benefits, COLA's were deemed not to be substantively automatic and only those previously granted were included.

For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees. For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.

For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees. In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP-2019 scale.

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, standard deviations, and correlation coefficients for each asset class. The process integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7 – PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The June 30, 2023, estimated long-term expected rate of return on pension plan investments was determined by the System’s actuary using the System’s target asset allocation as of January 2022 and the Curran Actuarial Consulting average study for 2023. The consultant’s average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant’s response included nominal expected long term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from the consultant’s responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System’s long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2023.

Best estimates of arithmetic real rates of return for each major class included in the System’s target asset allocation as of June 30, 2023, are summarized in the following table:

Asset Type		Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	29.50%	6.24%
	Non-U.S. Equity	11.50%	6.49%
	Global Equity	10.00%	6.49%
	Emerging Market Equity	5.00%	8.37%
Fixed Income	U.S. Core Fixed Income	20.00%	1.89%
	U.S. TIPS	2.00%	1.72%
	Emerging Market Debt	2.00%	4.30%
New FI	Multisector Fixed Income	2.00%	*
Multi-Asset Strategies	Global Tactical Asset Allocation	0.00%	4.02%
	Private Equity/Private Debt	9.00%	9.57%
	Real Estate	6.00%	4.41%
Alternatives	Real Assets	3.00%	5.62%
		<u>100.00%</u>	

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate:

The following represents the net pension liability of the participating employers calculated using the discount rate of 6.90%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of June 30, 2022.

	Changes in Discount Rate 2023		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.90%	6.90%	7.90%
Net Pension Liability	\$ 487,597	\$ 316,067	\$ 173,004

The mortality rate assumptions were updated in fiscal year 2023 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables, as compared to the RP-2000 Combined Healthy and Disabled Lives tables that were used for the previous valuation. For the June 30, 2023 valuation, assumptions for mortality rates were based on and set equal to the Pub-2010 Public Retirement Plans Morality Tables. In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP-2019 scale.

The retirement system issues publicly available financial reports that include financial statements and required supplementary information for the Plan. The financial reports may be obtained from:

Firefighters' Retirement System
Post Office Box 94095, Capital Station
Baton Rouge, Louisiana 70804-9095

Funding Policy - Plan members are required to contribute 10% of their annual covered salary, and the District is required to contribute at an actuarially determined rate. The District's rate is 32.25% of annual covered payroll as of December 31, 2023. The District's contribution to the Plan for the years ending December 31, 2023 and 2022, was \$51,456 and \$42,969, respectively.

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.

SECTION IV
REQUIRED SUPPLEMENTARY INFORMATION

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (CASH BASIS) - GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amount</u>		<u>Actual Amount Budget Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes - ad valorem	\$ 690,000	\$ 672,563	\$ 672,563	\$ -
Interest income	500	3,079	3,256	177
Other revenues	<u>44,400</u>	<u>81,597</u>	<u>73,834</u>	<u>(7,763)</u>
Total revenues	<u>\$ 734,900</u>	<u>\$ 757,239</u>	<u>\$ 749,653</u>	<u>\$ (7,586)</u>
<u>EXPENDITURES</u>				
Governmental expenses:				
General government	\$ 23,250	\$ 33,389	\$ 17,374	\$ 16,015
Public safety - fire	691,491	660,315	658,377	1,938
Capital outlay	65,000	9,848	25,479	(15,631)
Debt service				
Principal	35,514	35,431	28,215	7,216
Interest	<u>1,000</u>	<u>250</u>	<u>7,299</u>	<u>(7,049)</u>
Total expenditures	<u>\$ 816,255</u>	<u>\$ 739,233</u>	<u>\$ 736,744</u>	<u>\$ 2,489</u>
Net change in fund balance	<u>\$ (81,355)</u>	<u>\$ 18,006</u>	<u>\$ 12,909</u>	<u>\$ 5,097</u>
Fund balance, beginning of year			<u>305,156</u>	
Fund balance, end of year			<u>\$ 318,005</u>	

See Independent Auditor's Report.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original and final legally adopted budget, the actual data on the cash basis, and variances between the final budget and the actual data.

2. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund.

	<u>General Fund</u>
Net change in fund balance – budget basis	\$ (37,375)
Decrease	
Net adjustments for revenue accruals	101,072
Net adjustments for expenditure accruals	<u>-</u>
Net change in fund balance – GAAP basis	<u>\$ 63,697</u>

See Independent Auditor's Report.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FIREFIGHTERS' RETIREMENT SYSTEM

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	.048426%	.04784%	.03921%	.03471%	.03322%	.03123%	.03099%	.02964%	.02931%
District's proportionate share of the net pension liability	\$313,287	\$337,306	\$138,954	\$240,587	\$208,027	\$179,632	\$177,641	\$193,879	\$158,195
District's covered-employee payroll	\$155,353	\$127,740	\$120,000	\$82,149	\$85,222	\$75,363	\$67,342	\$71,380	\$62,289
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	201.66%	264.06%	115.80%	292.87%	244.10%	238.36%	263.79%	271.62%	253.97%
Plan fiduciary net position as a percentage of the total pension liability	77.69%	74.68%	86.78%	72.61%	73.96%	74.76%	73.55%	78.16%	72.45%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA**

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

FIREFIGHTERS' RETIREMENT SYSTEM

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$51,456	\$42,787	\$39,600	\$24,522	\$22,584	\$19,971	\$18,977	\$18,737	\$17,597
Contributions in relation to the contractually required contribution	(51,456)	(42,787)	(39,600)	(24,522)	(22,584)	(19,971)	(18,977)	(18,737)	(17,597)
Contribution deficiency (excess)	\$	\$ -	\$	\$ -	\$ -	\$	\$ -	\$	\$
District's covered-employee payroll	\$155,353	\$127,740	\$120,000	\$82,149	\$85,222	\$75,363	\$67,342	\$71,380	\$62,289
Contributions as a percentage of Covered-employee payroll	33.12%	33.50%	33.00%	29.85%	26.50%	26.50%	28.18%	26.25%	28.25%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

SECTION V
OTHER SUPPLEMENTARY INFORMATION

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2023

Agency Head Name: Virgil Barnes, Board President

Service Period: 12 months

Purpose
Board per diem \$ 600

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2023

Virgil Barnes	\$	550
Harvey Cowan		600
Dempsey Hillen		600
Margie Hodge McClure		550
Doyle Bryan		550
		<u>550</u>
	\$	<u>2,850</u>

See Independent Auditor's Report.

SECTION VI
REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS



209 N. Commerce St.
Natchez, MS 39120
P. O. Box 1027
Natchez, MS 39121
Tel: 601-442-7411
Fax: 601-442-8551

2120 Forsythe Ave.
Monroe, LA 71201
P. O. Box 4550
Monroe, LA 71211
Tel: 318-323-4481
Fax: 318-323-2188

www.silassimmons.com

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

Members of the Board of Supervisors
Concordia Fire Protection District No. 2
Vidalia, 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, the major fund, and the aggregate remaining fund information of Concordia Fire Protection District No. 2, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Concordia Fire Protection District No. 2's basic financial statements and have issued our report thereon dated June 22, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Concordia Fire Protection District No. 2's internal control over financial reporting (internal control) as a basis for determining 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 Concordia Fire Protection District No. 2's internal control. Accordingly, we do not express an opinion on the effectiveness of Concordia Fire Protection District No. 2'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 schedule of findings, we identified a deficiency in internal control that we consider to be 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. 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Item 2023-1, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Concordia Fire Protection District No. 2'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Concordia Fire Protection District No. 2's Response to Findings

As part of obtaining reasonable assurance about whether Concordia Fire Protection District No. 2'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 an 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.



Natchez, Mississippi
June 22, 2024

SECTION VII
SCHEDULE OF FINDINGS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section 1: Summary of Auditor's Report

- | | |
|--|-------------|
| 1. Type of auditor's report issued on the primary government financial statements: | |
| Governmental activities | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | Yes |
| 3. Noncompliance material to the primary government financial statements? | No |

**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Reference No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
Section I - Internal Control and Compliance Not Material to the Financial Statements:				
2022-1	2005	We noted the District does not have adequate segregation of duties in its operations. One individual is responsible for practically every accounting function including record-keeping, check-writing, making deposits, check-signing, and reconciling bank accounts.	No	This finding continues in the current year as 2023-1.
2022-2	2022	The District's audit report was not timely filed with LLA.	Yes	

Section II - Internal Control and Compliance Material to the Federal Awards:

None

Section III - Management Letter:

None

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA
 STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS,
 AND CORRECTIVE ACTION PLAN
 FOR THE YEAR ENDED DECEMBER 31, 2023

Ref. No.	Description of Finding
Section I – Internal Control and Compliance Material to the Financial Statements:	
2023-1	<p>Segregation of Duties (Internal Control)</p> <p>Condition: Due to the small size of the District and the lack of segregation of duties from employees, many important elements of good internal controls cannot be implemented to ensure adequate protection of the District’s assets.</p> <p>Criteria: Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check-writing.</p> <p>Cause of Condition: The small size of the entity and lack of employees.</p> <p>Effect of Condition: Material weakness in internal controls.</p> <p>Recommendation: We recommend that management continue to provide the necessary oversight in its internal control procedures, specifically in the areas of cash receipts, recording of transactions, deposits, and review of checks written.</p> <p>Corrective Action and Client Response: Management indicates that it is not feasible or cost efficient to provide the internal control that a larger organization could provide. Management will continue to provide the necessary oversight in its current internal control procedures in order to safeguard assets.</p>

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS,
AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

Ref. No.	Description of Finding
----------	------------------------

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter

None

SECTION VIII

APPLYING AGREED-UPON PROCEDURES



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Fire Protection District No. 2 of Concordia Parish, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures attached, which were agreed to by the Fire Protection District No. 2 of Concordia Parish, Louisiana (the District) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2023. The District's management is responsible for those control and compliance areas identified in the SAUPs.

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

The procedures and associated findings are included in the attachment following this report.

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 control and compliance 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 control and compliance 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.

Silas Simmons, LLP

Natchez, Mississippi
June 22, 2024

FIRE PROTECTION DISTRICT NO. 2
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

SUPPLEMENTAL SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED December 31, 2023

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - c) *Disbursements*, including processing, reviewing, and approving.
 - d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - h) *Credit Cards (and debit cards, fuel cards, purchase 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).
 - i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 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.
 - j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written Policies and Procedures (continued)

- 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.
- l) *Prevention of Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

We reviewed the written policies and procedures for the related functions listed above in the procedures. Through our review, we were able to determine that the Fire District followed these policies and procedures for budgeting, purchasing, disbursements, receipts, contracting, credit cards and fuel cards, travel and expense reimbursements, payroll and personnel, and ethics.

Findings: Storage of backups need to be kept in a separate physical location isolated from the network.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the Board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the Board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether 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. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - 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.
 - d) Observe whether the Board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

We obtained a copy of the District's minutes for the fiscal period. We reviewed the minutes to determine whether the managing board met on a frequency in accordance with the Board's enabling legislation, charter, or equivalent document. We reviewed the minutes to determine whether they referenced or included monthly budget-to-actual comparisons and non-budgetary information for at least one meeting during the fiscal period.

No exceptions noted during the above procedures.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include written evidence that a member of management or a 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
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

We selected the entity's only bank account and obtained the related bank statements and reconciliations for all months in the fiscal period. We reviewed the bank reconciliations to report whether they were prepared within two months of the related statement closing date, included evidence that management or a board member had reviewed each statement, and documentation that management had researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

Findings: We were able to confirm the bank statement had been reconciled in a timely manner. However, there was no documentation showing that a member of management or board member signed and dated the reconciliations.

Collections (excluding electronic funds transfers)

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 five deposit sites (or all deposit sites if less than five).

We reviewed a listing of cash/check/money order collection locations and management's representation to determine that the listing is complete. The District mainly collects at Delta Bank in Vidalia, and occasionally in Ferriday.

No exceptions were noted during the above procedures.

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 (e.g., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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 responsible for cash collections do not share cash drawers/registers;
 - b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - c) Each employee responsible for collecting cash is not also 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; and

Collections (continued)

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions were noted during the above procedures.

- 6. Randomly select two deposit dates for each of the five bank accounts selected for Bank Reconciliations Procedure 3 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, 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:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions were noted during the above procedures.

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

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

We obtained a listing of locations that process payments from management and management's representation that the listing is complete.

No exceptions were noted during the above procedures.

- 8. For each location selected under Procedure 8, 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, then 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 or making the purchase;
 - b) At least two employees are involved in processing and approving payments to vendors;
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

Non-Payroll Disbursements (continued)

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

We inquired with management about the above procedures.

Findings: The employees responsible for processing payments are not prohibited from adding/modifying vendor files.

- 9. For each location selected under Procedure 8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under Procedure 5B above, as applicable.

We obtained disbursement information from management and traced transactions to corresponding invoices.

No exceptions were noted during the above procedures.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- 10. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

We obtained listing from management. Fire department has one debit card and fuel card.

No exceptions were noted during the above procedures.

- 11. Using the listing prepared by management, randomly select five cards (or all cards if less than five) 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

We reviewed the monthly statement and supporting documentation to determine that they were reviewed and approved by someone other than the authorized card holder and no finance charges or late fees were assessed.

No exceptions were noted during the above procedures.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards) (continued)

12. Using the monthly statements or combined statements selected under Procedure 13, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were noted during the above procedures.

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

13. 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 five reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected
- a) If reimbursed using a per diem, observe that the approved 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);
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure; and
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were noted during the above procedures.

Contracts

14. 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. *Alternatively, 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 five contracts (or all contracts if less than five) 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;
 - 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);

Contracts (continued)

- c) Randomly select one payment from the fiscal period for each of the five 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.

We obtained from management a listing of all agreements/contracts that were initiated or renewed during the fiscal period, observed whether they were in accordance with applicable laws and regulations, if they were amended and agreed the payment to the invoice.

No exceptions were noted during the above procedures.

Payroll and Personnel

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

Findings: We were able to obtain a listing of employees and officials and agree their pay checks to the pay rates/authorized salaries in the personnel files. However, a few board members collected and cashed per diem checks for monthly meetings in which they did not attend.

16. Randomly select one pay period during the fiscal period. For the five employees or officials selected under Procedure 17 above, obtain attendance records and leave documentation for the pay period, and
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

We inquired with management about attendance and leave records. The fire department consists mostly of part time employees who are employed full time in other departments, so their work schedule is planned around their days off from their full time position.

No exceptions were noted during the above procedures.

17. 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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

We inquired with management as to whether any employees/officials were terminated during the fiscal period. There were no employees terminated during 2023.

No exceptions were noted during the above procedures.

18. 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 any associated forms have been filed, by required deadlines.

No exceptions were noted during the above procedures.

Ethics

19. Using the five randomly selected employees/officials from Payroll and Personnel Procedure 17, obtain ethics documentation from management, and
- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

We obtained the personnel files on the employees selected in Procedure 17 from management to determine whether ethics training/compliance documentation was completed.

Findings: We were able to obtain written documentation that management keeps track of the employees attendance for ethics training. However, we were unable to obtain personnel files or an actual sign in sheet or receipt for each employees attendance.

Debt Service

20. 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 as required by Article VII, Section 8 of the Louisiana Constitution.

The Fire District did not have any bonds/notes issued during the fiscal period.

No exceptions were noted during the above procedures.

21. 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).

The Fire District did not have any bonds/notes outstanding at the end of the fiscal period.

No exceptions were noted during the above procedures.

Fraud Notice

22. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

We inquired with management as to whether the entity participates in retirement plans. We reviewed remittances and cancelled checks to verify payroll taxes were remitted timely to appropriate agencies.

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

No exceptions were noted during the above procedures.

Information Technology Disaster Recovery/Business Continuity

24. Perform the following procedures.

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.
- 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 five 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.

Findings: We received documentation the secretary backs up her computer on a thumb drive which is kept in a locked drawer at the fire station. The thumb drive has been tested and it will restore the fire station's data. However, it is not encrypted or kept away from the physical premises.

25. Randomly select five terminated employees (or all terminated employees if less than five) using the list of terminated employees obtained in Procedure 19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

No exceptions were noted during the above procedure.

Prevention of Sexual Harassment

26. Using the five randomly selected employees/officials from Payroll and Personnel Procedure 17, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

The entity has written policy that everyone must attend at least one hour of ethics training during the year or they will be investigated by the fire chief. We were unable to obtain a sign off sheet or documentation showing which employees attended ethics training.

27. Observe that 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).

No exceptions were noted during the above procedure.

FIRE PROTECTION DISTRICT NO. 2
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

SCHEDULE OF EXCEPTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Reference No.</u>	<u>Description of Exception</u>
<u>Written Policies and Procedures:</u>	
Procedure 1	There were no written policies for debt service or information technology disaster recovery/business continuity. Management should store a backup copy of the computer system in a safe place away from the physical premises.
<u>Bank Reconciliations:</u>	
Procedure 3(b)	Monthly bank reconciliations did not include written evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated).
<u>Non-Payroll Disbursements:</u>	
Procedure 8(c)	The employee responsible for processing payments is able to add/modify vendor files. Management should only pay board members in attendance a per diem check.
<u>Ethics:</u>	
Procedure 19(a)	Management should keep a sign-in sheet or receipt verifying each employees attendance of annual ethics training.

Management Response

Management plans to address the above findings during fiscal year 2024.