

**LAFOURCHE PARISH**  
**Fire Protection District No. 2**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2021**

**LAFOURCHE PARISH**  
**Fire Protection District No. 2**  
**As of and for the Year Ended December 31, 2021**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	1
<b>FINANCIAL SECTION</b>	
Independent Auditor’s Report	6
<b>BASIC FINANCIAL STATEMENTS:</b>	
<i>Government Wide Financial Statements:</i>	
Statement of Net Position	9
Statement of Activities	10
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
<i>Notes to the Financial Statements</i>	13
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedules – Major Governmental Funds <i>General Fund</i>	21
<b>OTHER INFORMATION</b>	
Schedule of Compensation Benefits and Other Payments to Agency Head	22
<b>REPORTS REQUIRED ACCORDING BY GAO</b>	
Independent Auditor’s Report on Internal Control over Financial Reporting And On Compliance and Other Matters Based On an Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	23

**LAFOURCHE PARISH Fire Protection District No. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2021*

This discussion and analysis of Lafourche Parish Fire Protection District No. 2's (the District) financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

The basic financial statements provide these insights into the results of this year's operations:

- Net position of our governmental activities increased by \$393,450 or approximately 14.5% as a result of this year's operations.
- Total expenses for program activities were \$344,041. General revenues from ad valorem taxes collected; insurance proceeds from Hurricane Ida and investment earnings of \$737,491 resulted in an increase in net position of \$393,450.
- The cost of all of the programs increased by \$34,412, or approximately 10%.
- The governmental funds reported a total ending fund balance of \$1,834,795 an increase of \$836,829 from the prior year – mainly from insurance proceeds from Hurricane Ida.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (GWFS) - The Statement of Net Position and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of the finances. Fund Financial Statements (FFS) – The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

**Government-Wide Financial Statements (GWFS)**

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net position and changes in them. You can think of the net position—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in the net position are one indicator of whether its financial health is improving or deteriorating.

**LAFOURCHE PARISH Fire Protection District No. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2021*

The Statement of Net Position and the Statement of Activities report governmental activities. Most of the basic fire protection services are reported as this type.

***Fund Financial Statements (FFS)***

The Fund Financial Statements provide detailed information about the most significant funds—not the operations as a whole.

The District utilizes the governmental type of fund with the following accounting approach. Most of the basic fire protection services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs.

We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations at the bottom and following the fund financial statements.

***FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GWFS)***

The Statement of Net Position and the Statement of Activities reports all governmental activities. All of the governmental activities are reported as this type. Our analysis below focuses on the net assets of the governmental-type activities:

	Condensed Statement of Net Position		Increase
	2020	2021	(Decrease)
Current and Other Assets	\$ 1,001,391	\$ 1,852,605	\$ 851,214
Capital Assets	1,329,691	1,228,380	(101,311)
<b>Total Assets</b>	<b>2,331,082</b>	<b>3,080,985</b>	<b>749,903</b>
Current Liabilities	3,429	99,520	96,091
Deferred Inflows of Resources	-	260,362	260,362
Net Invested in Capital Assets	1,329,691	1,228,380	(101,311)
Unrestricted	997,962	1,492,723	494,761
<b>Total Net Position</b>	<b>\$ 2,327,653</b>	<b>\$ 2,721,103</b>	<b>\$ 393,450</b>

**LAFOURCHE PARISH Fire Protection District No. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2021*

As a result of this year's operations, net position increased by \$393,450. Current assets – mainly cash and investments increased by over \$850,000 or 45% - mainly due to insurance proceeds. The balance in net position of \$2,721,103 represents the accumulated results of all past years' operations. Of that balance, \$1,228,380 or a little less than half is net invested in capital assets and is not available to spend.

	Condensed Statement of Activities		Increase
	2020	2021	(Decrease)
<b>Program Expenses:</b>			
Current	\$ 173,818	\$ 198,575	\$ 24,757
Depreciation - unallocated	135,811	145,466	9,655
<b>Total program expenses</b>	<b>309,629</b>	<b>344,041</b>	<b>34,412</b>
General revenues	417,327	737,491	320,164
<b>Change in Net Position</b>	<b>107,698</b>	<b>393,450</b>	<b>285,752</b>
<b>Net Position:</b>			
Beginning of the year	2,219,955	2,327,653	107,698
End of the year	<b>\$ 2,327,653</b>	<b>\$ 2,721,103</b>	<b>\$ 393,450</b>

The total revenues for the year in governmental activities were \$737,491 (all in general revenues), an increase of \$320,164 or 43% - mostly consisted of insurance proceeds. The total cost of all fire protection services was \$344,041, an increase from the prior year by \$34,412 or 10%.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FFS)**

Funds are used to control and manage money for particular purposes. Reviewing individual funds provides the information to determine if an entity is being accountable for the resources provided and may also give you more insight into the overall financial health.

The General Fund reported an ending fund balance of \$1,834,795 all considered unassigned and available for future use. This reflects an increase of \$836,829 from the prior year.

The General Fund received \$342,054 in ad valorem taxes – a decrease of 2% from the prior year, and \$37,563 in intergovernmental revenues – a slight increase from the prior year, \$480 in interest and \$2,070 in other income. The District spent \$198,575 in current expenditures such as operating services and materials and supplies, which was approximately 14% less than these expenditures from the prior year. Capital outlay of \$44,155 added to the current expenditures resulted in total expenditures of \$242,730 in the General Fund.

**LAFOURCHE PARISH Fire Protection District No. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2021*

This year due to Hurricane Ida the District received \$697,392 in insurance proceeds that is reflected as Other Sources of income.

The District began the year with \$997,966 in available fund balance and ended the year with \$1,834,795 in unassigned available fund balance reflecting a net increase in fund balance of \$836,829.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund was revised during the year as follows:

Original Budgeted Revenues	\$338,960
<b>Amendments were made for:</b>	
Increased Ad Valorem taxes received	28,000
Increased Intergovernmental revenue	11,218
Increased interest and other	795,452
<b>Total revenue amendments</b>	<b>834,670</b>
<b>Amended Budgeted Revenues</b>	<b>\$1,173,630</b>
Original Budgeted Expenditures	\$283,700
<b>Amendments were made for:</b>	
Increased current expenditures	32,100
Decreased capital expenditures	(55,000)
<b>Total expenditure amendments</b>	<b>(22,900)</b>
<b>Amended Budgeted Expenditures</b>	<b>\$260,800</b>

The total expenditure variance was favorable and in compliance with the Louisiana Local Budget Act. The total revenue variance exceeded the 5% unfavorable due to less than anticipated received for insurance proceeds from Hurricane Ida.

**CAPITAL ASSETS**

The summary of investment in capital assets and depreciation, for governmental activities follows:

	2021	2020
Land	\$ 2,600	\$ 2,600
Buildings	53,200	53,200
Trucks	1,710,644	2,009,678
Equipment	704,231	704,231
<b>Total Cost</b>	<b>2,470,675</b>	<b>2,769,709</b>
Accumulated Depreciation	1,242,295	1,440,018
<b>Net Capital Assets</b>	<b>\$ 1,228,380</b>	<b>\$ 1,329,691</b>

**LAFOURCHE PARISH Fire Protection District No. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2021*

Depreciation Expense	\$	145,466	\$	135,807
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This year there was \$299,034 for a new fire truck in additions and no deletions to the capital asset list. More detailed information about the capital assets is presented in Note 5 to the financial statements.

***ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES***

Among the factors considered in compiling the 2022 budget were:

1. projects and purchases anticipated – repairs to buildings from Hurricane Ida and capital purchases of \$430,000
2. new laws and regulations enacted that would apply to the upcoming year
3. new revenue sources or expenditures not previously encountered.

Highlights of next year's adopted budget for the general fund include:

Projected Revenue	\$282,309
Projected Expenditures	(1,439,280)
	\$ (1,156,971)

***CONTACTING THE DISTRICT 'S FINANCIAL MANAGEMENT***

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Mr. Gerard Leonard, Secretary-Treasurer  
Lafourche Parish Fire Protection District No. 2,  
P.O. Box 337  
Lockport, LA 70374

# ***FINANCIAL SECTION***





# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Lafourche Parish Fire Protection District No. 2  
Lockport, LA

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lafourche Parish Fire Protection District No. 2 (the District), a component unit of the Lafourche Parish Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of December 31, 2021, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***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 General 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 of Management's 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 statement that are free of 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 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 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, 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 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 ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, amount 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 the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation of Payments to the Agency Heads and the Justice System Funding Schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2022, on our consideration of the internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control over financial reporting and compliance.

*Stagni & Company*

May 3, 2022  
Thibodaux, Louisiana



**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2**

Statement of Net Position

December 31, 2021

**ASSETS**

Cash and cash equivalents	\$ 884,433
Investments	707,810
Taxes Receivable	260,362
Due from other government - ad valorem taxes	-
Capital assets, net of depreciation	<u>1,228,380</u>
Total assets	<u>3,080,985</u>

**LIABILITIES**

Accounts Payable	<u>99,520</u>
Total current liabilities	<u>99,520</u>

**DEFERRED INFLOWS OF RESOURCES**

Subsequent year - property taxes	260,362
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**NET POSITION**

Net Investment in capital assets	1,228,380
Unrestricted	<u>1,492,723</u>
Total net position	<u>\$ 2,721,103</u>

See notes to the financial statements and independent accountant's review report.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2**

Statement of Activities

For the Year Ended December 31, 2021

<b>FUNCTIONS/PROGRAMS</b>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants &amp; Contributions</u>	
General government - current	\$ 14,892	\$ -	\$ -	\$ (14,892)
Public Safety - Fire Protection				
Maintenance	53,472	-	-	(53,472)
Supplies & Training	24,839	-	-	(24,839)
Utilities	20,481	-	-	(20,481)
Fuel	5,492	-	-	(5,492)
General & Administration	58,605	-	-	(58,605)
Depreciation	145,466	-	-	(145,466)
Other	20,794	-	-	(20,794)
<b>Total governmental activities:</b>	<u>\$ 344,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(344,041)</u>
<b>General revenues:</b>				
Ad Valorem Taxes, net adjusted				(14)
Intergovernmental revenues				
State revenue sharing				1,040
State fire insurance rebate				36,523
Interest				480
Insurance proceeds				697,392
Other				2,070
			<u>Total general revenues</u>	<u>737,491</u>
<b>Change in net position</b>				<u>393,450</u>
<b>Net Position :</b>				
			Beginning	2,327,653
			Ending	<u>\$ 2,721,103</u>

See notes to the financial statements and independent accountant's review report.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2**

Balance Sheet - Governmental Funds

December 31, 2021

**ASSETS**

Cash	\$	884,433
Investments		707,810
Taxes receivable		260,362
Due from other governments		
Ad Valorem Tax		-
Total assets	\$	<u>1,852,605</u>

**LIABILITIES**

Current Liabilities:

Accounts Payable	\$	<u>99,520</u>
Total liabilities		<u>99,520</u>

**DEFERRED INFLOWS OF RESOURCES**

Subsequent year - property taxes		260,362
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**FUND BALANCES**

Unassigned		<u>1,492,723</u>
Total fund balances		<u>1,492,723</u>

**RECONCILIATION TO STATEMENT OF NET ASSETS:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		<u>1,228,380</u>
	\$	<u>2,721,103</u>

See notes to the financial statements and independent accountant's review report.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2021

	<u>General</u>
<b>REVENUES</b>	
Ad Valorem Taxes	\$ 342,054
Intergovernmental - State	
Revenue Sharing	1,040
Insurance Rebate	36,523
Interest earned	480
Other Income	2,070
Total Revenues	382,167
<b>EXPENDITURES</b>	
General government - current	
Ad Valorem tax deductions	14,892
Public Safety - current:	
Operating Services	153,352
Materials and Supplies	30,331
Total current expenditures	198,575
Capital outlay	44,155
Total expenditures	242,730
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	139,437
<b>OTHER SOURCES/(USES)</b>	
Insurance Proceeds	697,392
<b>NET CHANGE IN FUND BALANCES</b>	836,829
<b>FUND BALANCES</b>	
Beginning of year	997,966
Ending of year	\$ 1,834,795
<b>Net change in fund balances - total governmental funds</b>	\$ 836,829
<b>RECONCILIATION TO STATEMENT OF ACTIVITIES:</b>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Asset purchases	\$ 44,155
Depreciation	(145,466)
	(101,311)
Reclassification of Beginning Balance of Ad Valorem Taxes	(342,068)
<b>Change in net assets of governmental activities</b>	<b>\$ 393,450</b>

See notes to the financial statements and independent accountant's review report.

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

The Lafourche Parish Fire Protection District No. 2 (the District) operates under provisions of the Louisiana Revised Statutes and local ordinances established by the Lafourche Parish Council. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statutes of the State of Louisiana, including the right to incur debt, issue bonds and levy taxes.

**Note 1**                      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements 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.

*A. Reporting Entity*

As the governing authority of the parish, for reporting purposes, the Lafourche Parish Council is the financial reporting entity for Lafourche Parish. The Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Lafourche Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Based on criterion applied, the District is a component unit of the Lafourche Parish Council. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Lafourche Parish Council, the general government services provided by the Council, or the other governmental units that comprise the financial reporting entity.

*B. Basis of Presentation*

**Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds).

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:



**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*B.      Basis of Presentation (continued)*

**Government-Wide and Fund Financial Statements (continued)**

In the government-wide Statement of Net Positions, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The net assets are reported in three parts—net investment in capital assets; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the governmental activities. These functions are also supported by general government revenues (ad valorem taxes, intergovernmental revenues, interest earned). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants. This government-wide focus is more on the sustainability as an entity and the change in the net assets resulting from the current year's activities.

**Fund Accounting**

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**Governmental Funds**

Governmental Funds are those through which the governmental functions are financed. The acquisition, use, and balances of the expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The Governmental Fund is the General Fund. The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C.      *Measurement Focus / Basis of Accounting***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are assessed. Other revenue is recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

The governmental fund financial statements 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. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund financial statements. Under the modified 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 be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

- Ad valorem taxes and the insurance rebate are considered "measurable" at the time of availability since the timing of their collection coincides with the timing of the expenditures to be paid.
- Interest income on investments is recorded when the investments have matured and the income is available.
- Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.
- Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**D.      *Budgets***

The District complies with the "Louisiana Local Government Budget Act" and henceforth, budgets are adopted for its governmental funds on a modified accrual basis that is consistent with generally accepted accounting principles.

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 2**  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended December 31, 2021

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*D.      Budgets (continued)*

Annual budgets are prepared by the Chief Executive Officer of the Board along with a budget message and presented to the Board for adoption no later than 15 days prior to the beginning of the fiscal year. Budgets are adopted for the fiscal year and lapse at a year-end. The budget is amended by supplemental appropriations as needed to during the year to comply with state law.

*E.      Cash and Investments*

Cash includes amounts in demand deposits, interest-bearing deposits, and money market accounts. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the District may invest in United States bonds, treasury notes, or certificates. Investments are stated at cost.

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

*F.      Capital Assets*

Capital assets, which include land, improvements, stations and equipment, are reported in the government-wide financial statements. Capital assets purchased or acquired with an original cost of \$5,000 or more are capitalized at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

CATEGORY	LIFE
BUILDINGS	25-40 YEARS
FURNITURE & EQUIPMENT	5-7 YEARS
VEHICLES	10-20 YEARS

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G.      Fund Equity**

For government-wide financial statements net assets are classified and displayed in three components:

- Net invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
- Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “net invested in capital assets.”

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned.

- Non-spendable fund balance cannot be spent because of its form.
- Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions.
- Committed fund balance is a limitation imposed by the Board through approval in minutes.
- Assigned fund balances is a limitation imposed by a designee of the Board.
- Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

**LAFOURCHE PARISH  
FIRE PROTECTION DISTRICT NO. 2  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*H.      Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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.

**Note 2      DEPOSITS AND INVESTMENTS**

*Deposits:*

A summary of deposits are listed as follows:

	<b>Reported Amount</b>	<b>Bank Balance</b>
<b>Cash</b>	\$884,433	\$885,179

State law requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. All of the District's deposits are adequately secured by FDIC insurance and the market value of securities pledged.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2021

**Note 2      DEPOSITS AND INVESTMENTS (continued)**

*Investments:*

Investments of \$707,810 include amounts invested in the Louisiana Asset Management Pool (LAMP), a state and local government investment pool. The investments in LAMP have an average maturity of 60 days or less. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana formed by an initiative of the State Treasurer in 1993. A board of directors consisting of the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's governs the corporation. These approved investments are carried at cost, which approximate market and may be liquidated as needed. This investment pool has not been assigned a risk category since the District is not issued securities, but rather owns an undivided beneficial interest in the assets of this pool.

**Note 3      AD VALOREM TAXES**

Property taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and moveable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at the percentages of actual value as specified by Louisiana law.

A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed on or around January 1, 2020. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes.

The tax rate for the year ended December 31, 2020 that the 2021 revenue was calculated was \$5.42 mills assessed valuation on property within Lafourche Parish Fire Protection District No. 2 for the purpose of public safety within the District.

Due to Hurricane Ida a reevaluation was made on the 2021 tax levy. Property adjustments will be made before the 2021 Property Tax levy will be assessed. The estimate for the 2021 property tax notices will be mailed in February 2022. The entire amount of the 2021 property tax levy was recorded as receivable and deferred.

**LAFOURCHE PARISH**  
**FIRE PROTECTION DISTRICT NO. 2**  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended December 31, 2021

**Note 4      COMPENSATION OF BOARD MEMBERS**

No compensation was paid to Board Members during the year ended December 31, 2021.

**Note 5      CAPITAL ASSETS**

Capital assets and depreciation activity for the year is as follows:

Governmental Activities:	12/31/20 Balance	Additions	Decreases	12/31/21 Balance
<b>Capital assets, not being depreciated</b>				
Land	\$2,600	-	-	\$2,600
<b>Capital assets being depreciated</b>				
Buildings	53,200	-	-	53,200
Trucks	2,009,678	44,155	(343,189)	1,710,644
Equipment	704,231	-	-	704,231
<b>Total being depreciated</b>	<b>\$2,767,109</b>	<b>\$44,155</b>	<b>(\$343,189)</b>	<b>\$2,468,075</b>
<b>Total Assets</b>	<b>\$2,769,709</b>			<b>\$2,470,675</b>

**Less accumulated depreciation:**

Buildings	\$18,073	\$1,442	\$-	\$19,515
Trucks	1,205,005	115,430	(343,189)	977,246
Equipment	216,940	28,594	-	245,534
<b>Totals</b>	<b>\$1,440,018</b>	<b>\$145,466</b>	<b>(\$343,189)</b>	<b>\$1,242,295</b>
<b>Capital assets, net</b>	<b>\$1,329,691</b>			<b>\$1,228,380</b>

Depreciation expense of \$145,466 for the year was charged to the governmental activities in the Statement of Activities.

***REQUIRED SUPPLEMENTARY  
INFORMATION***



**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2**

Budget Comparison Schedule - General Fund  
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes - Ad Valorem	\$ 300,000	\$ 328,000	\$ 342,054	\$ 14,054
Intergovernmental - State				
Revenue Sharing	-	11,218	1,040	(10,178)
Insurance Rebate	36,500	36,500	36,523	23.00
Use of money and property				
Interest earned	2,400	450	480	30
Other income	60	797,462	699,462	(98,000)
Total Revenues	<u>338,960</u>	<u>1,173,630</u>	<u>1,079,559</u>	<u>(94,071)</u>
<b>EXPENDITURES</b>				
General government - current:				
Ad Valorem Tax Deductions	10,000	14,900	14,892	8
Public Safety - current:				
<b>Operating Services</b>				
Utilities	16,000	20,000	20,481	(481)
Telephone	6,000	6,000	6,714	(714)
Rentals	14,400	14,400	14,400	-
Maintenance Buildings	5,000	5,000	1,184	3,816
Maintenance Trucks	30,000	30,000	23,606	6,394
Maintenance Mach/Equip	1,000	20,000	19,810	190
Maintenance Radio Equip	4,000	11,000	10,056	944
Professional Services	8,000	8,000	5,740	2,260
Insurance	45,000	46,000	46,151	(151)
Education & Training	800	800	660	140
Convention Reg Fees	1,000	2,800	4,550	(1,750)
Fire Chief's Association	200	1,800	-	1,800
<b>Total Operating Services</b>	<u>131,400</u>	<u>165,800</u>	<u>153,352</u>	<u>12,448</u>
<b>Material and Supplies</b>				
Medical	2,000	2,000	738	1,262
Office Supplies/Postage	1,100	1,100	609	491
Publication Expense	1,200	4,000	3,860	140
Supplies Clothing Gear	30,000	20,000	19,632	368
Vehicle Fuel	8,000	8,000	5,492	2,508
<b>Total Material and Supplies</b>	<u>42,300</u>	<u>35,100</u>	<u>30,331</u>	<u>4,769</u>
Total current expenditures	<u>183,700</u>	<u>215,800</u>	<u>198,575</u>	<u>17,225</u>
<b>Capital Outlay</b>				
Acquisition Vehicles	100,000	45,000	44,155	845
<b>Total Capital Outlay</b>	<u>100,000</u>	<u>45,000</u>	<u>44,155</u>	<u>845</u>
Total expenditures	<u>283,700</u>	<u>260,800</u>	<u>242,730</u>	<u>18,070</u>
<b>NET CHANGE IN FUND BALANCES</b>	55,260	912,830	836,829	(76,001)
<b>FUND BALANCES</b>				
Beginning of year	997,966	997,966	997,966	-
Ending of year	<u>\$ 1,053,226</u>	<u>\$ 1,910,796</u>	<u>\$ 1,834,795</u>	<u>\$ (76,001)</u>

## ***OTHER INFORMATION***

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head**  
**For the Year Ended December 31, 2021**

**Agency Head Name: Mr. Eric Benoit, Chairman**

<b>Purpose</b>	<b>Amount</b>
Salary	\$0
Benefits-insurance	\$0
Benefits-retirement	\$0
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (describe)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$0
Dues	\$0
Vehicle rental	\$0
Per diem	\$0
Reimbursements	\$0
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Housing	\$0
Unvouchered expenses (example: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$0

***This form is used to satisfy the reporting requirement of R.S. 24:513(A)(3) on Supplemental Reporting***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Commissioners  
Lafourche Parish Fire Protection District No. 2  
Lockport, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major funds of the Lafourche Parish Fire Protection District No. 2 a component unit of the Lafourche Parish Government as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated May 3, 2022.

### **Report on Internal Control Over Financial Reporting**

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

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

To the Board of Commissioners  
Lafourche Parish Fire Protection District No. 2  
Page 2

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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*.

### **Purpose of this Report**

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

*Stagni & Company*

May 3, 2022  
Thibodaux, Louisiana



**LAFOURCHE PARISH  
FIRE PROTECTION DISTRICT #2**

**Statewide Agreed Upon  
Procedures Report  
With Schedule of Findings  
and Management's Responses**

***As of and for the Year Ending  
December 31, 2021***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## **AGREED-UPON PROCEDURES REPORT** Lafourche Parish Fire Protection District #2

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period January 1, 2021 – December 31, 2021**

To Mr. Eric Benoit, Chairman of  
the Board of Commissioners  
Lafourche Parish District #2 and  
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Lafourche Parish Fire Protection District #2 (District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The District management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are as follows:

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

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - 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(s) rate 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) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (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.
- 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) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** *The District has historically been required to have a Review/Attestation. Because of Hurricane Ida and the Insurance Proceeds received, the increase in the amount received caused the District to have an audit and consequently the Statewide Agreed Upon Procedures. Next year the District will be back below the threshold and will not be subject to the SAUPs.*

**Finding:** *The District has no written policies that address these areas.*





### **Board or Finance Committee**

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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 that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.

**Results:** *The District's Board meets on a monthly basis. No exceptions were noted in this area.*

### **Bank Reconciliations**

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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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** *We obtained a list of bank accounts and management's representation that the list was complete. For the bank account we inspected the December 2021 bank statement and reconciliation and observed that there was no evidence of review by a member of management/board member. No other exceptions were noted.*



***Collections (excluding electronic funds transfers )***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

***Results:*** *The District has one collection location. One employee collects all mail and makes deposits. Monthly statements are approved by the Board at meetings – there are compensating controls to reduce risk in this area.*

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

***Results:*** *A copy of the bond or insurance policy for theft was obtained by management and appeared to be enforced during the fiscal period.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 2 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.

**Results:** *We randomly selected two deposit dates for the bank account selected for procedure #3 under "Bank Reconciliations" above. We obtained supporting documentation for each of the 2 deposits and:*

- a) *Sequentially pre-numbered receipts was not applicable*
- b) *All of the documentation were traced to the deposit slips, no exceptions noted.*
- c) *All of the deposit slip details agreed to the deposit per the bank, no exceptions noted.*
- d) *All of the deposits were made within one business day of receipt, no exceptions noted.*
- e) *All of the actual deposits per the bank statement agreed to the general ledger, no exceptions noted.*

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

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

**Results:** *We obtained management's representation that the District has only one disbursement location.*

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results:** *We obtained a listing of employees who perform non-payroll disbursement functions. The District has no written policies that address the four areas listed above but all purchases are approved by the Board. Compensating controls reduce risk in this area.*

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



**Results:** We obtained the District's population of non-payroll disbursements and management's representation that the population was complete.

- a) Five disbursements were randomly selected and matched the invoices and supporting documentation with no exception.
- b) The documentation included evidence that showed disbursements were approved by the Board.

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

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

**Results:** We obtained management's representation that there was 1 active fuel card.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

**Results:** No exceptions were noted.

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

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

**Results:** No exceptions were noted.





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

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

**Results:** *A review of the general ledger travel and travel-related expenditures revealed that there were no disbursements for travel reimbursements made during the year.*

### **Contracts**

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

**Results:** *We obtained a listing from management of agreements/contracts and management's representation that the listing is complete. The listing contained 1 contract that was selected.*

- a) *The contract was bid in accordance with the Louisiana Public Bid Law.*
- b) *The contract was approved by the Board.*



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- c) *The contract was not amended.*
- d) *One payment for the contract was selected and agreed to the invoice and terms of the contract. No exceptions were noted.*

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

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

***Results:*** *The District has no employees, therefore the procedure is not applicable.*

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 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). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

***Results:*** *The District has no employees, therefore the procedure is not applicable.*

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

***Results:*** *The District has no employees, therefore the procedure is not applicable.*

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

***Results:*** *The District has no employees, therefore the procedure is not applicable.*



## **Ethics**

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20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

**Finding:** *Two of the 5 Board Members selected completed the required training. The District has no written policy relative to Ethics.*

## **Debt Service**

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results:** *The District has no outstanding debt; therefore this procedure is not applicable.*

## **Fraud Notice**

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

**Results:** *Management has represented that there were no misappropriations of public funds or assets during the fiscal period.*

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

**Finding:** *The District does not post the notice required by R.S. 24:523.1 on its premises or a website.*



## ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c. Obtain a listing of the entity’s computers currently in use, and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Results:** *We performed the procedure and discussed the results with management. No exceptions were noted.*

## ***Sexual Harassment***

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

**Finding:** *None of the Board members completed the sexual harassment training during the fiscal year.*

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).

**Finding:** *The District does not post its sexual harassment policy and complaint procedure on its premises.*

28. Obtain the District’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
- a. Number and percentage of public servants in the agency who have completed the training requirements;
  - b. Number of sexual harassment complaints received by the agency;





- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

***Finding:*** *The District did not file annual sexual harassment report during the current fiscal period nor were there any incidents of sexual harassment.*

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

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

*Stagni & Company*

Thibodaux, LA  
May 31, 2022



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