

**WARD FIVE FIRE PROTECTION DISTRICT**  
Evangeline Parish, Louisiana

Financial Statements

Year Ended December 31, 2013

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>	
Statement of net position	5
Statement of activities	6
<b>FUND FINANCIAL STATEMENTS (FFS)</b>	
Balance sheet - governmental fund - general fund	8
Reconciliation of the governmental funds balance sheet to the statement of net position	9
Statement of revenues, expenditures, and changes in fund balance- governmental fund - general fund	10
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental fund to the statement of activities	11
Notes to basic financial statements	12-19
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary comparison schedule - General Fund	21
<b>INTERNAL CONTROL AND COMPLIANCE</b>	
Independent Auditors' 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>	23-24
Summary schedule of current and prior year audit findings and corrective action plan	25

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## INDEPENDENT AUDITORS' REPORT

\* A Professional Accounting Corporation

To the Board of Directors  
Ward Five Fire Protection District  
Evangeline Parish, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Ward Five Fire Protection District (District), a component unit of the Evangeline Parish Police Jury, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that budgetary comparison information (page 21) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Ville Platte, Louisiana  
May 13, 2014

**BASIC FINANCIAL STATEMENTS**

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

Ward Five Fire Protection District  
Evangeline Parish, Louisiana

Statement of Net Position  
December 31, 2013

ASSETS

Cash and interest-bearing deposits	\$ 253,330
Receivables, net	494,047
Prepaid asset	81,784
Capital assets, net	<u>664,013</u>
Total assets	<u>1,493,174</u>

NET POSITION

Net investment in capital assets	664,013
Unrestricted	<u>829,161</u>
Total net position	<u>\$1,493,174</u>

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

Ward Five Fire Protection District  
Evangeline Parish, Louisiana

Statement of Activities  
For the Year Ended December 31, 2013

Expenses:	
Public safety	<u>\$ 317,194</u>
General revenues:	
Ad valorem taxes	503,317
State revenue sharing	17,142
Fire insurance rebate	11,326
Interest and investment earnings	1,176
Miscellaneous	<u>2,162</u>
Total general revenues	<u>535,123</u>
Change in net position	217,929
Net position, January 1, 2013	<u>1,275,245</u>
Net position, December 31, 2013	<u><u>\$1,493,174</u></u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

Ward Five Fire Protection District  
Evangeline Parish, Louisiana

Balance Sheet  
Governmental Fund - General Fund  
December 31, 2013

ASSETS

Cash and interest-bearing deposits	\$ 253,330
Receivables:	
Ad valorem taxes	476,905
State revenue sharing	17,142
Prepaid asset	<u>81,784</u>
Total assets	<u>\$ 829,161</u>

LIABILITIES AND FUND BALANCE

Fund balances:	
Nonspendable (prepaid items)	\$ 81,784
Unassigned	<u>747,377</u>
Total fund balances	<u>\$ 829,161</u>

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

Ward Five Fire Protection District  
Evangeline Parish, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2013

Total fund balance for governmental fund at December 31, 2013		\$ 829,161
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$34,000	
Buildings and improvements, net of \$184,517 accumulated depreciation	115,483	
Trucks, net of \$478,343 accumulated depreciation	448,403	
Equipment, net of \$312,951 accumulated depreciation	<u>66,127</u>	<u>664,013</u>
Total net position of governmental activities at December 31, 2013		<u>\$1,493,174</u>

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

Ward Five Fire Protection District  
Evangeline Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund - General Fund  
For the Year Ended December 31, 2013

Revenues:	
Ad valorem tax	\$ 503,317
State revenue sharing	17,142
Fire insurance rebate	11,326
Miscellaneous income	2,162
Interest income	1,176
Total revenues	<u>535,123</u>
Expenditures:	
Current -	
Advertising	1,566
Board fees	2,220
Dues	303
Fuel	5,958
Insurance	35,253
Miscellaneous	121
Office	8,327
Outside services	24,000
Pension expense	15,658
Professional fees	12,580
Repairs and maintenance	79,446
Supplies	24,510
Training	2,341
Utilities	15,948
Volunteer firemen	6,430
Capital outlay	<u>285,582</u>
Total expenditures	<u>520,243</u>
Change in fund balance	14,880
Fund balance, beginning	<u>814,281</u>
Fund balance, ending	<u>\$ 829,161</u>

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

Ward Five Fire Protection District  
Evangeline Parish, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Fund  
to the Statement of Activities  
For the Year Ended December 31, 2013

Total net change in fund balance for the year ended December 31, 2013 per  
statement of revenues, expenditures and changes in fund balance \$ 14,880

The change in net position reported for governmental activities in the  
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balance	\$285,582	
Current year disposition of capital assets net of accumulated depreciation	(11,628)	
Depreciation expense	<u>(70,905)</u>	<u>203,049</u>

Change in net position for the year ended December 31, 2013  
per statement of activities \$217,929

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

WARD FIVE FIRE PROTECTION DISTRICT  
Evangeline Parish, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Ward Five Fire Protection District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Ward Five Fire Protection District was created by and in accordance with provisions of Part I, Chapter 7, Title 40, of the Louisiana Revised Statutes of 1950 for the purpose of fire protection in its designated Evangeline Parish area. Although legally separate from the Evangeline Parish Police Jury, the Evangeline Parish Police Jury appoints two of the board members and has the ability to impose its will on the District and, therefore, it is considered to be a component unit of the Evangeline Parish Police Jury (primary government), the financial reporting entity.

The District employs three contract laborers. All firemen are volunteers. The board members are appointed as follows: two appointed by the police jury, two appointed by the Village of Turkey Creek and those four appoint the last board member who will serve as the chairman of the board.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements (FFS)

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

WARD FIVE FIRE PROTECTION DISTRICT  
Evangeline Parish, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

The major fund of the District is described below:

Governmental Fund -

General Fund

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

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to when revenues, expenditures, expenses, and transfers – and assets, deferred outflows of resources, liabilities, and deferred inflows or resources – are recognized in the accounts and reported in the financial statements.

Measurement Focus

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

WARD FIVE FIRE PROTECTION DISTRICT  
Evangeline Parish, Louisiana

Notes to Basic Financial Statements (Continued)

**Basis of Accounting**

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

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

**Program revenues**

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

**Allocation of indirect expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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.

WARD FIVE FIRE PROTECTION DISTRICT  
Evangeline Parish, Louisiana

Notes to Basic Financial Statements (Continued)

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

Cash and interest-bearing deposits

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes and state revenue sharing. Uncollectible ad valorem taxes are recognized as bad debts through the establishment of an allowance account. The allowance for December 31, 2013 was immaterial and therefore no allowance is recorded.

Prepaid items

Payments made to vendors for services that will benefit periods beyond December 31, 2013 are recorded as prepaid items.

Capital Assets

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

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

Furniture, fixtures and equipment	5-15 years
Buildings and improvements	10-40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

WARD FIVE FIRE PROTECTION DISTRICT  
Evangeline Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Long-Term Debt

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

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of a capital lease payable.

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of December 31, 2013.

Equity Classifications

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

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

WARD FIVE FIRE PROTECTION DISTRICT  
Evangeline Parish, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

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

E. Budgets

A budget for the General Fund for the year ended December 31, 2013 was adopted in accordance with LSA-R.S. 39:1301-1316, cited as the "Louisiana Local Government Budget Act." Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the District.

F. Use of Estimates

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

WARD FIVE FIRE PROTECTION DISTRICT  
Evangeline Parish, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2013, the District has cash and interest bearing deposits (book balances) totaling \$253,330.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2013, bank balances were secured as follows:

Bank balances	<u>\$ 304,993</u>
Federal deposit insurance	250,000
Pledged securities (Category 3)	<u>54,993</u>
Total	<u>\$ 304,993</u>

Deposits in the amount of \$54,993 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the District's name (Category 3 deposits). The District does not have a policy for custodial credit risk.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The taxes are collected and remitted to the District by the Evangeline Parish Sheriff's office.

For the year ended December 31, 2013, taxes of 11.56 mills were levied on property with assessed valuations totaling \$42,621,890. Total taxes levied in 2013 were \$492,709. Taxes receivable at December 31, 2013 were \$476,905.

WARD FIVE FIRE PROTECTION DISTRICT  
Evangeline Parish, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset balances and activity for the year ended December 31, 2013 are as follows:

	Balance 1/1/2013	Additions	Deletions	Balance 12/31/2013
Land	\$ 34,000	\$ -	\$ -	\$ 34,000
Buildings and improvements	300,000	-	-	300,000
Trucks	729,979	220,767	24,000	926,746
Equipment	314,263	64,815	-	379,078
Totals	1,378,242	285,582	24,000	1,639,824
Accumulated depreciation	917,278	70,905	12,372	975,811
Net capital assets	\$ 460,964	\$ 214,677	\$ 11,628	\$ 664,013

Depreciation expense of \$70,905 was charged to the public safety function.

(5) Prepaid Asset

The prepaid asset in the amount of \$81,784 is a deposit for a fire truck under construction.

(6) Board Members' Compensation

The following is a summary of per diem paid to board members during the year ending December 31, 2013:

Ferdie Fontenot	\$ 30
Carroll Weatherford	390
Bennie Helmer	420
William Emmons	120
Terry Moreau	330
Patrick Soileau	420
Joe Fontenot	90
Jason Fontenot	180
Hardie Whittington	150
Phillip Ardoin	90
	\$ 2,220

WARD FIVE FIRE PROTECTION DISTRICT  
Evangeline Parish, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Risk Management

The District is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(8) Pending Litigation

There is no litigation pending against the District at December 31, 2013.

(9) Subsequent Event Review

The District's management has evaluated subsequent events through May 13, 2014, the date which the financial statements were available to be issued.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

Ward Five Fire Protection District  
 Evangeline Parish, Louisiana

Budgetary Comparison Schedule  
 General Fund  
 Year Ended December 31, 2013

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Ad valorem tax	\$ 471,184	\$ 477,704	\$ 503,317	\$ 25,613
State revenue sharing	17,461	11,461	17,142	5,681
Fire insurance rebate	10,606	11,326	11,326	-
Miscellaneous income	3,807	1,096	2,162	1,066
Interest income	1,900	221	1,176	955
Total revenues	<u>504,958</u>	<u>501,808</u>	<u>535,123</u>	<u>33,315</u>
<b>Expenditures:</b>				
Current -				
Advertising	1,571	1,251	1,566	(315)
Board fees	5,490	1,860	2,220	(360)
Dues	572	303	303	-
Fuel	4,898	6,361	5,958	403
Insurance	35,106	38,452	35,253	3,199
Miscellaneous	150	121	121	-
Office	5,700	3,195	8,327	(5,132)
Outside services	16,800	24,000	24,000	-
Pension expense	-	15,600	15,658	(58)
Professional fees	16,531	15,362	12,580	2,782
Repairs and maintenance	28,771	78,128	79,446	(1,318)
Supplies	11,834	7,805	24,510	(16,705)
Training	1,873	2,506	2,341	165
Utilities	11,219	16,112	15,948	164
Volunteer firemen	5,650	6,430	6,430	-
Capital outlay	<u>126,608</u>	<u>200,393</u>	<u>285,582</u>	<u>(85,189)</u>
Total expenditures	<u>272,773</u>	<u>417,879</u>	<u>520,243</u>	<u>(102,364)</u>
Change in fund balance	232,185	83,929	14,880	(69,049)
Fund balance, beginning	<u>814,281</u>	<u>814,281</u>	<u>814,281</u>	<u>-</u>
Fund balance, ending	<u>\$1,046,466</u>	<u>\$ 898,210</u>	<u>\$ 829,161</u>	<u>\$ (69,049)</u>

**INTERNAL CONTROL AND COMPLIANCE**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

To the Board of Directors  
Ward Five Fire Protection District  
Evangeline Parish, Louisiana

We have audited 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, the financial statements of the governmental activities and the major fund of the Ward Five Fire Protection District (District), a component unit of the Evangeline Parish Police Jury, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 13, 2014.

### Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 13-1(IC) to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 13-2(C) and 13-3(C).

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

The Ward Five Fire Protection District's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

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

Ville Platte, Louisiana  
May 13, 2014

Ward Five Fire Protection District  
 Evangeline Parish, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
 and Corrective Action Plan  
 Year Ended December 31, 2013

Ref. No.	Fiscal Year	Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
<u>Internal Control:</u>							
13-1(C)	2011		The District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The District has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Ferdie Fontenot, Chairman	N/A
13-2(C)	2013		The District did not amend its budget as required by RS 39:1311. Total actual expenditures exceeded total budgeted expenditures by more than 5 percent.	No	All requirements of RS 39:1311, the Local Government Budget Act will be followed in the future.	Ferdie Fontenot, Chairman	Immediately
13-3(C)	2013		The District did not publicly bid the purchase of an item exceeding \$30,000 as required by R.S. 38:2212, the Public Bid Law.	No	All requirements of the Public Bid Law will be followed in the future.	Ferdie Fontenot, Chairman	Immediately
<u>PRIOR YEAR (12/31/12 -- Internal Control:</u>							
12-1(C)	2011		The District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The District has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Ferdie Fontenot, Chairman	N/A
<u>Compliance:</u>							
12-2(C)	2011		One of the bookkeepers for the District is the wife of a board member. Both the board member and the bookkeeper are compensated for their services. This is a violation of RS 42:1119, the nepotism laws.	Yes	In April of 2012, the bookkeeper resigned from the Fire District.	Ferdie Fontenot, Chairman	
12-3(C)	2012		Property was purchased by the District without obtaining a valid appraisal. Therefore, we were unable to determine if the expenditure was reasonable.	Yes	N/A	Ferdie Fontenot, Chairman	