

***Lafourche Parish Fire Protection District No. 1***

***ANNUAL FINANCIAL REPORT***

***As of and for the Year Ended December 31, 2017***

**Lafourche Parish Fire Protection District No. 1**  
**ANNUAL FINANCIAL REPORT**  
*As of and for the Year Ended December 31, 2017*

**TABLE OF CONTENTS**

	<u>Page</u>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	1
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report	8
 <b>Basic Financial Statements:</b>	
<i>Government Wide Financial Statements:</i>	
Statement of Net Position	11
Statement of Activities	12
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances-Governmental Funds to the Statement of Activities	15
<i>Notes to the Financial Statements</i>	16
 <b>REQUIRED SUPPLEMENTAL INFORMATION</b>	
Budgetary Comparison Schedule – General Fund	25
 <b>OTHER INFORMATION</b>	
Schedule of Compensation, Benefits and Other Payments To Agency Head	26
 <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>	27
Schedule of Current Year Findings	29

**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

The following narrative is presented to facilitate a better understanding of the year-end financial position and results of operations for the year ended December 31, 2017. When read in conjunction with the notes to the financial statements, this section's financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the financial performance.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how 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.

Our auditor has provided assurance in his independent auditor's report, located immediately following this MD&A, that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

**Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities report information as a whole. 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 assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the District.

**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

**FINANCIAL HIGHLIGHTS**

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

- As a result of this year's operations assets exceeded liabilities by \$2,872,995 (net position).
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$2,153,911 including the cost of trucks and equipment less accumulated depreciation.
  - (2) Unrestricted of \$719,084 representing the portion available to maintain the continuing obligations to citizens and creditors.
- Total spending for all public safety activities was \$568,590 for the year, which was \$494,363 more than the program revenues for these activities. The general revenues used to offset the shortfall for program expenditures totaled \$579,786 for the year.
- The governmental funds reported total ending fund balance of \$719,084, of which \$649,689 was unassigned and \$69,395 was non-spendable for prepaid insurance. This compares to the prior year ending fund balance – of \$966,176, showing a decrease of \$247,092 during the current year.
- Total revenue reported for all governmental funds was \$609,707, an increase of approximately 7% from the prior year. Total expenditures were \$901,105, including \$612,492 of capital expenditures. This resulted in an excess of expenditures over revenues for the year of \$247,092.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how 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.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance.

A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

***Government-Wide Financial Statements***

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

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws. The District utilizes the governmental type of fund with the following accounting approach. Most of the basic 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 reconciliation at the bottom of the fund financial statements.

**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

**FINANCIAL ANALYSIS AS A WHOLE (GWFS)**

The Statement of Net Position and the Statement of Activities reports governmental activities. Our analysis below focuses on the net position of the governmental-type activities:

Condensed Statement of Net Position

	2016	2017	Increase (Decrease)
Current and Other Assets	\$ 1,549,546	\$ 1,324,375	\$ (225,171)
Capital Assets	1,821,396	2,153,911	332,515
<b>Total Assets</b>	<b>3,370,942</b>	<b>3,478,286</b>	<b>107,344</b>
<b>Deferred Inflows</b>	<b>583,370</b>	<b>605,291</b>	<b>21,921</b>
Net Invested in Capital Assets	1,821,396	2,153,911	332,515
Restricted	143,957	-	(143,957)
Unrestricted	822,219	719,084	(103,135)
<b>Total Net Position</b>	<b>\$ 2,787,572</b>	<b>\$ 2,872,995</b>	<b>\$ 85,423</b>

Net position increased by \$85,423 – approximately 3%, as a result of this year's operations, which indicates that the overall financial position improved during the year. Net Investment in Capital Assets increased by \$332,515 due to the land and truck purchases. The balance in net assets represents the accumulated results of all past years' operations.

Total revenues generated by governmental activities for the year were \$654,013 (\$74,227 in program revenues and \$579,786 in general revenues). The total cost of all public safety services provided was \$568,590.

**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

Our analysis below focuses on the operations of the governmental-type activities:

Condensed Statement of Activities

	2016	2017	Increase (Decrease)
Charges for Services	\$ 2,600	\$ 4,516	1,916
Operating Grants and Contributions	64,641	69,711	5,070
<b>Program Expenses:</b>			
Current	243,822	326,904	83,082
Depreciation - unallocated	240,113	241,686	1,573
<b>Total program expenses</b>	<u>483,935</u>	<u>568,590</u>	<u>(84,655)</u>
<b>Net program income</b>	(416,694)	(494,363)	(77,669)
General revenues	<u>542,548</u>	<u>579,786</u>	<u>37,238</u>
<b>Change in Net Position</b>	125,854	85,423	40,431
<b>Net Position:</b>			
Beginning of the year	<u>2,661,718</u>	<u>2,787,572</u>	<u>125,854</u>
End of the year	<u>\$ 2,787,572</u>	<u>\$ 2,872,995</u>	<u>\$ 85,423</u>

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)**

The District uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health. Following is an analysis of the major funds:

The General Fund reported an ending fund balance of \$719,084, of which \$69,395 is non-spendable for prepaid insurance, the remainder of \$ 649,689 is considered unassigned and available to spend. This amount represents 99% of general fund revenues. The General Fund revenues totaled \$653,959 and were primarily ad valorem taxes levied for maintenance and operations for fire protection in the District of \$569,953. These revenues were reduced by current expenditures for fire protection of \$288,613 and capital outlay for land, station equipment or improvement, truck inventory, and other necessary equipment of \$612,492.

**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

**GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no amendments necessary to the original budget for the General Fund during the year. Total revenue and expenditure variances were favorable on the budget comparison schedules presented and are considered in compliance with the State Budget Law. More information on the current year budget can be found in the General Fund Budgetary Comparison Schedule.

**CAPITAL ASSETS**

A summary of capital assets for the current and prior year follows:

	2015	2016
Land	\$ 292,500	\$ 64,500
Stations & Equipment	1,099,940	1,109,495
Trucks & Equipment	2,591,811	2,258,010
Other Equipment	476,966	516,518
Total Cost	4,461,217	3,948,523
Accumulated Depreciation	2,307,306	2,127,127
Net Capital Assets	<u>\$ 2,153,911</u>	<u>\$ 1,821,396</u>
Depreciation Expense	<u>\$ 241,686</u>	<u>\$ 240,113</u>

More detailed information about the capital assets is presented in Note 6 to the basic financial statements.

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

Highlights of the 2018 adopted budget for the General Fund include:

Beginning Fund Balance	\$ 284,702
Projected Revenue	646,026
Projected Expenditures	<u>(930,500)</u>
Ending Fund Balance	<u>\$ 228</u>

***Lafourche Parish Fire Protection District No. 1***  
***MANAGEMENT'S DISCUSSION AND ANALYSIS***  
***For the Year Ended December 31, 2017***

***CONTACTING FINANCIAL MANAGEMENT***

This financial report is designed to provide a general overview of the Lafourche Parish Fire Protection District No. 1 finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Randall Robichaux, Treasurer  
P.O. Box 156  
Raceland, LA 70394  
985-537-7517

***FINANCIAL SECTION***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

---

## Independent Auditor's Report

To the Board of Commissioners,  
Of the Lafourche Parish Fire Protection District No. 1  
Lafourche Parish, Louisiana

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2017, and the notes to the financial statements, which collectively comprise the 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 an opinion on these basic 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 Statements*, 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 basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting 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.

To the Board of Commissioners,  
Of the Lafourche Parish Fire Protection District No. 1,  
Page 2

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 evaluation 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 financial position of the governmental activities and each major fund as of December 31, 2017 and the respective changes in financial position for the year then ended in conformity 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 the Management's Discussion and Analysis and the Required Supplementary Information 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.



To the Board of Commissioners,  
Of the Lafourche Parish Fire Protection District No. 1,  
Page 3

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated April 19, 2018, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

*Stagni & Company*

Thibodaux, Louisiana  
April 19, 2018



**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**

Statement of Net Position

December 31, 2017

**ASSETS**

Cash	\$ 303,749
Ad valorem taxes receivable	103,442
Due from other governmental units-ad valorem taxes	470,706
Prepaid Insurance	69,395
Deposits	377,083
Capital Assets, net of accumulated depreciation	<u>2,153,911</u>
<b>TOTAL ASSETS</b>	<b>3,478,286</b>

**DEFERRED INFLOWS OF RESOURCES**

Subsequent year - property taxes	605,291
----------------------------------	---------

**NET POSITION**

Net investment in capital assets	2,153,911
Unrestricted	<u>719,084</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 2,872,995</u></b>

See notes to financial statements.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**  
**LAFOURCHE PARISH, LOUISIANA**

Statement of Activities - Governmental Activities  
For the Year Ended December 31, 2017

<b>FUNCTIONS/PROGRAMS</b>	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating Grants</u>	<u>Net Revenue (Expense)</u>
Public safety activities	\$ 568,590	\$ 4,516	\$ 69,711	\$ (494,363)
Total governmental activities	<u>568,590</u>	<u>4,516</u>	<u>69,711</u>	<u>(494,363)</u>
<b>GENERAL REVENUES</b>				
				569,958
				9,828
				<u>579,786</u>
<b>CHANGE IN NET POSITION</b>				85,423
<b>NET ASSETS:</b>				
				2,787,572
				<u>\$ 2,872,995</u>

See notes to financial statements.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**

Balance Sheet - Governmental Funds

December 31, 2017

	General Fund	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 303,749	\$ -	\$ 303,749
Ad valorem taxes recievable	103,442	-	103,442
Due from other governmental units	470,706	-	470,706
Prepaid Insurance	69,395	-	69,395
Deposits	377,083	-	377,083
Total assets	<u>\$ 1,324,375</u>	<u>\$ -</u>	<u>\$ 1,324,375</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Subsequent year - property taxes	\$ 605,291	\$ -	\$ 605,291
Total Liabilities	605,291	-	605,291
<b>FUND BALANCES</b>			
Non-spendable - Prepaid Insurance	69,395	-	69,395
Restricted for Debt Service	-	-	-
Unassigned	649,689	-	649,689
	<u>719,084</u>	<u>-</u>	<u>719,084</u>
Total liabilities and fund balances	<u>\$ 1,324,375</u>	<u>\$ -</u>	<u>\$ 1,324,375</u>

**RECONCILIATION OF FUND BALANCES TO THE STATEMENT OF NET ASSETS:**

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Add - Capital Assets, Nondepreciable	292,500	
Add - Capital Assets, Depreciable	4,168,717	
Deduct - Accumulated Depreciation	<u>(2,307,306)</u>	2,153,911

Net assets of governmental activities		<u>\$ 2,872,995</u>
---------------------------------------	--	---------------------

See notes to financial statements.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**

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

	General Fund	Debt Service	Total Governmental Funds
<b>REVENUES</b>			
Taxes-ad valorem	\$ 569,953	\$ 5	\$ 569,958
Intergovernmental - State of Louisiana:			
State Revenue Sharing	9,828	-	9,828
Insurance Rebate	69,711	-	69,711
Miscellaneous	4,467	49	4,516
<b>TOTAL REVENUES</b>	<u>653,959</u>	<u>54</u>	<u>654,013</u>
<b>EXPENDITURES</b>			
Current - General government			
Ad valorem tax deductions	18,428	-	18,428
Current - Public safety			
Insurance	72,380	-	72,380
Operating Exp-Trucks	17,423	-	17,423
Maintenance-Trucks	45,201	-	45,201
SCBA	13,620	-	13,620
Communications	5,621	-	5,621
Maintenance -Buildings	32,914	-	32,914
Utilities	17,199	-	17,199
Telephone	9,931	-	9,931
Publications	1,078	-	1,078
Fire Prevention Week	40	-	40
Professional Services	12,832	-	12,832
Leases	500	-	500
Training	508	-	508
Fire fighting equipment	33,596	-	33,596
Miscellaneous	7,342	-	7,342
Total current	<u>288,613</u>	<u>-</u>	<u>288,613</u>
Capital outlay	<u>612,492</u>	<u>-</u>	<u>612,492</u>
<b>TOTAL EXPENDITURES</b>	<u>901,105</u>	<u>-</u>	<u>901,105</u>
Revenues over (under) expenditures	(247,146)	54	(247,092)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	144,011		144,011
Transfers Out		(144,011)	(144,011)
Total other financing sources (uses)	<u>144,011</u>	<u>(144,011)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(103,135)</u>	<u>(143,957)</u>	<u>(247,092)</u>
<b>FUND BALANCES</b>			
Beginning of year	822,219	143,957	966,176
End of year	<u>\$ 719,084</u>	<u>\$ -</u>	<u>\$ 719,084</u>

See notes to financial statements.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances - Governmental Funds  
To the Statement of Activities  
For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds \$ (247,092)

Amounts reported for *governmental activities* in the statement of activities are 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.

Add - Capital Outlay	\$ 612,492	
Deduct - Depreciation Expense	(241,686)	
Loss on Disposal of Assets	<u>(38,291)</u>	332,515

Change in net assets of governmental activities		<u>\$ 85,423</u>
---	--	------------------

See notes to financial statements.

# **LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

The Lafourche Parish Council adopted a resolution creating Fire Protection District No. 1 of the Parish of Lafourche, Louisiana and defining and describing the boundaries thereof on May 13, 1953. The District comprises that territory within the present boundaries of Police Jury Wards three and seven of Lafourche Parish. 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.

The following is a summary of certain significant accounting policies:

### **A.      Reporting Entity**

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the Lafourche Parish Council is considered to be the primary government for financial reporting purposes for the Parish of Lafourche.

Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include:

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

# **LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

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

### **A.      Reporting Entity (continued)**

The District is considered a component unit of the Lafourche Parish Council, if applying the criteria above and as such, these financial statements will be included in the comprehensive annual financial report (CAFR). This decision is based on the fact that the Parish Council appoints the voting majority of the Board of Commissioners of the District.

### **B.      Basic Financial Statements – 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). Both the government-wide and fund financial statements categorize primary activities as governmental type activities. All of the services are classified as governmental activities.

In the government-wide Statement of Net Position, 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 position is 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 functions and activities. These functions are also supported by general government 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.

The net costs (by function) are normally covered by general revenue (ad valorem taxes, state revenue sharing, interest earned, etc). 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.

# **LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

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

### **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. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

### **Governmental Funds**

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

General Fund - The General Fund is used to account for all financial resources and expenditures except those that are required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

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

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

The amounts reflected in 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. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

# LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2017

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

### *C. Measurement Focus / Basis of Accounting (continued)*

#### *Fund Financial Statements (FFS) (continued)*

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. 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 pay liabilities of the current period. Revenues are considered available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2017 property taxes which were levied to finance the 2018 budget are recognized as revenue in 2018 – and are recorded as unearned in 2017. Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable or available until actually received.

**Expenditures** – The major expenditures current public safety supplies, insurance and repair and maintenance of equipment and facilities are recorded when payable or when the fees are incurred.

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

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

# **LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

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

### *D.      Measurement Focus / Basis of Accounting (continued)*

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

### *E.      Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### *F.      Operating Budgets*

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District. The Board, as allowed by state law, does not obtain public participation in the budget process. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America. There were no adjustments to the originally adopted budget.

### *G.      Cash*

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

# LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2017

## Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

### H. Receivables

The financial statements contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

### I. Capital Assets

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

CATEGORY	LIFE
BUILDINGS	25 YEARS
TRUCKS	15 YEARS
EQUIPMENT	5 YEARS

### J. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

### K. Fund Equity

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

1. Net investment 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.

# LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2017

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

### **K. Fund Equity (Continued)**

2. 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.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

In the fund financial statements, 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.

## **Note 2**      **DEPOSITS**

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At year end, the reported amount of deposits was \$303,749 and the bank balance was \$308,025. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial credit risk is the risk that in an event of a bank failure, the deposits may not be returned to it. Of the total bank balance, \$58,025 is considered exposed to custodial credit risk.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

**Note 2      DEPOSITS (Continued)**

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance (FDIC) must equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The District has securities pledged of \$900,000.

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.

**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 movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at 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 for the list of January 1, 2016. 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 was \$10.0 per \$1,000 of assessed valuation on property within Lafourche Parish Fire Protection District No. 1 for the purpose of maintaining and operating fire protection facilities and programs.

**Note 4      COMPENSATION OF BOARD MEMBERS**

No compensation was paid to Board Members during the year.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

**Note 5 DUE FROM OTHER GOVERNMENTAL UNITS**

The amounts due from other governmental units consisted of ad valorem tax collections due from the Lafourche Parish Tax Collector to be remitted to the District in January 2018.

**Note 6 CAPITAL ASSETS**

A schedule of changes in capital assets follows:

<b>Governmental activities</b>	<b>Balance 12/31/16</b>	<b>Additions</b>	<b>Donations/ Adjustments/ Deletions</b>	<b>Balance 12/31/17</b>
Land	\$ 64,500	228,000	-	<b>\$ 292,500</b>
Stations & Equipment	1,109,495	-	(9,555)	1,099,940
Trucks & Equipment	2,258,010	369,990	(36,189)	2,591,811
Other Equipment	516,518	14,502	(54,054)	476,966
<b>Total Depreciable assets</b>	<b>\$3,884,023</b>	<b>612,492</b>	<b>(99,798)</b>	<b>\$4,168,717</b>
<b>Total Cost of Assets</b>	<b>\$3,948,523</b>	<b>612,492</b>	<b>(99,798)</b>	<b>\$4,461,217</b>

Less accumulated depreciation:

Stations & Equipment	\$725,690	37,658	(7,522)	\$755,826
Trucks & Equipment	1,113,034	155,795	(28,925)	1,239,904
Other Equipment	288,403	48,233	(25,061)	311,575
<b>Total Accumulated Depreciation</b>	<b>2,127,127</b>	<b>241,686</b>	<b>(61,507)</b>	<b>2,307,306</b>
<b>Net Capital Assets</b>	<b>\$1,821,396</b>			<b>\$2,153,911</b>

Depreciation expense for the year was \$241,686 recorded in governmental activities. This adjustment is reflected on the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities accordingly.

**Note 7 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

***REQUIRED SUPPLEMENTAL  
INFORMATION***

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**

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

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final no amendments)		
<b>REVENUES</b>				
Taxes	\$ 553,242	\$ 553,242	\$ 569,953	\$ 16,711
State of Louisiana:				
State Revenue Sharing	6,000	6,000	9,828	3,828
Insurance Rebate	64,500	64,500	69,711	5,211
Miscellaneous	1,000	1,000	-	(1,000)
Interest	1,000	1,000	4,467	3,467
<b>TOTAL REVENUES</b>	<u>625,742</u>	<u>625,742</u>	<u>653,959</u>	<u>28,217</u>
<b>EXPENDITURES</b>				
Current - General government				
Ad valorem tax deductions	18,000	18,000	18,428	(428)
Current - Public safety				
Insurance	72,000	72,000	72,380	(380)
Operating Exp-Trucks	10,000	10,000	17,423	(7,423)
Maintenance-Trucks	50,000	50,000	45,201	4,799
SCBA	20,000	20,000	13,620	6,380
Hoses	5,000	5,000	-	5,000
Maintenance -Buildings	30,000	30,000	32,914	(2,914)
Utilities	20,000	20,000	17,199	2,801
Fire Fighting Equipment	35,000	35,000	33,596	1,404
Telephone	8,000	8,000	9,931	(1,931)
Communications	30,000	30,000	5,621	24,379
Publications	2,000	2,000	1,078	922
Fire Prevention Week	7,000	7,000	40	6,960
Professional Services	15,000	15,000	12,832	2,168
Leases	500	500	500	-
Training	10,500	10,500	508	9,992
Permits/Fees	1,000	1,000	-	1,000
Miscellaneous	6,000	6,000	7,342	(1,342)
Total current	<u>340,000</u>	<u>340,000</u>	<u>288,613</u>	<u>51,387</u>
Capital outlay	<u>869,581</u>	<u>869,581</u>	<u>612,492</u>	<u>257,089</u>
<b>TOTAL EXPENDITURES</b>	<u>1,209,581</u>	<u>1,209,581</u>	<u>901,105</u>	<u>308,476</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	144,011	(144,011)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>144,011</u>	<u>(144,011)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(583,839)</u>	<u>(583,839)</u>	<u>(103,135)</u>	<u>(424,270)</u>
<b>FUND BALANCES</b>				
Beginning of year	822,219	822,219	822,219	-
End of year	<u>\$ 238,380</u>	<u>\$ 238,380</u>	<u>\$ 719,084</u>	<u>\$ (424,270)</u>

***OTHER INFORMATION***

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**  
 Schedule of Compensation, Benefits and Other Payments to Agency Head  
 For the Year Ended December 31, 2017

**Agency Head Name: Mr. Lester Griffin, Board President**

<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	\$ 1,276
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Housing	\$0
Unvouchered expenses (expample: 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 supplemental reporting requirement of R.S. 24:513(A)(3)*

***REPORTS REQUIRED BY GOVERNMENT  
AUDITING STANDARDS***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

---

**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,  
Of the Lafourche Parish Fire Protection District No. 1  
Raceland, 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 each major fund of the Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated April 19, 2018.

### ***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 the internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency or 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 charged with governance.

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

***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.

*Stagni & Company*

April 19, 2018  
Thibodaux, Louisiana



**Lafourche Parish Fire Protection District No. 1**  
**Schedule of Current Year Findings**  
**For the Year Ended December 31, 2017**

***Section I - Summary of Auditor's Reports***

- The auditor's report expresses an unmodified opinion on the basic financial statements.
- No deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
- No instances of noncompliance or other matters under *Government Auditing Standards* were disclosed during the audit of the financial statements.
- No instances of noncompliance under the provisions of Louisiana Governmental Audit Guide were disclosed during the audit of the basic financial statements.
- There was no management letter issued in connection with this audit.
- The District neither received nor expended any federal awards during the year.

***Section II - Financial Statement Findings***

- There were no financial statement findings during the audit of the basic financial statements.

***Section III - Federal Award Findings and Questioned Costs***

- There were no federal award findings during the audit of the basic financial statements.



***LAFOURCHE PARISH FIRE  
PROTECTION DISTRICT NO. 1***

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

***As of and for the Year Ending  
December 31, 2017***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

---

## AGREED-UPON PROCEDURES REPORT Lafourche Parish Fire Protection District No. 1

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period January 1, 2017 – December 31, 2017**

To the Board Members of the  
Lafourche Parish Fire Protection District No. 1 and  
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Lafourche Parish Fire Protection District No. 1 (the District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The District's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are as follows:

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

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - 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**, including receiving, recording, and preparing deposits.
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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, and (5) monitoring card usage.
- 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 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results:** The policies of the District address all of the applicable functions listed, with the following exceptions.

- The policy for 1(i) ethics does not address 1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121 or 2) actions to be taken if an ethics violation takes place or 3) the requirement to attest through signature verification that all employees have read the entity's ethics policy.

**Management's Response:** Ethics Policy - 1(i) - Currently, there are no employees, however board members are required to view a 1-hour ethics training video presented by the Louisiana Board of Ethics. Once the Board has viewed the video, they are required to print a certificate to have on file. This is an annual requirement. In Management's opinion, this video is much more in-depth than the District's ethics policy, and is clearer and easier to understand.

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

---

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).



- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.

**Results:** The District Board met monthly. The minutes do reference budget-to-actual comparisons on the General Fund or other major funds. The minutes reference approvals of bids, contracts and material purchases.

### ***Bank Reconciliations***

---

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

**Results:** We obtained a listing of bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched items that have been outstanding for more than 6 months reconciling as of the end of the fiscal period.

**Results:** We selected all (2) bank accounts and obtained bank statements and reconciliations. Although there were bank reconciliations and statements provided for each month, there was not written evidence that a Board member reviewed each reconciliation.

**Management's Response:** The Board has obtained the services of an independent accountant to reconcile the bank statements monthly and presents the reconciled statements at the monthly Board meetings. The Board will for all future bank reconciliations after prepared and reviewed provide written documentation that they were reviewed.



## **Collections**

---

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

**Results:** We obtained from management a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than five locations). **For each cash collection location selected:**
  - a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
  - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
    - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
    - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

**Results:** There was only one (1) collection location for testing. Each person responsible for collecting cash is bonded. Duties were segregated per the policy. The person responsible for collecting cash was not responsible for reconciling cash collections to the general ledger. The District has a formal process to reconcile cash collections to the general ledger by a person who is not responsible for cash collections. All deposits tested were deposited the same or next day. All of the deposits tested had supporting documentation.

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



**Results:** The District has a process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source by a person who is not responsible for collections.

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

---

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

**Results:** We obtained from management a disbursement listing and management's representation that the listing is complete.

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

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

**Results:** We obtained supporting documentation for 25 disbursements. The criteria in steps 9(a), 9(b) and 9(c) were met for all 25 disbursements tested.

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

**Results:** The persons responsible for processing payments are prohibited from adding vendors to the District's disbursement system. The contract bookkeeper processes payments, the supervisor is authorized to add vendors to the purchasing system.

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

**Results:** The persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.



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

**Results:** No exceptions were identified as a result of these procedures.

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

**Results:** No exceptions were identified as a result of these procedures.

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

---

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

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

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

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

**Results:** The monthly statements or combined statements and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder. No finance charges or late fees were assessed on the selected statements.



16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
    - An original itemized receipt (i.e., identifies precisely what was purchased).
    - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
    - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
  - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/ disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
  - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless of whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Results:** Procedure 16(a) –For the two credit cards selected for testing, both were supported by itemized receipts and documentation of the business/public purpose of each individual charge.

Procedures 16(b) and 16(c) - No exceptions were identified as a result of these procedures.

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

---

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

**Results:** The District had no travel or expense reimbursements for the year, therefore this procedure is not applicable. We obtained management's representation that there were none.

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

**Results:** This procedure is not applicable.

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



- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
  - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
  - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** This procedure is not applicable.

### ***Contracts***

---

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

**Results:** We obtained a listing of all contracts in effect during the fiscal period. We obtained management's representation that the listing is complete.

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

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
  - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)



- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

**Results:** For the 3 contracts selected, a formal written contract supports the arrangement and the amounts paid. One of the contracts selected was subject to public bid law and complied with all requirements thereof. For the largest payment from each of the contracts selected for testing, the supporting invoice and related payment complied with the terms and conditions of the contract. Each of the contracts selected for testing was properly approved according to policy and the approval was reported in the board minutes.

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

---

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

**Results:** The District has no employees, therefore this procedure is not applicable. We obtained management's representation that the District had no employees.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

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



24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

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

25. Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

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

### ***Ethics (excluding nonprofits)***

---

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

**Results:** The District had no employees, however the Board members are required to maintain documentation to demonstrate that required ethics training was completed. Of the 5 Board members tested, one did not have the documentation required.

**Management's response:** The Board's policy requires Ethics training yearly and that all District Board members are required to abide by the Ethics Laws. The Board member that did not comply will be warned and required to follow the Board's policy.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

**Results:** We inquired of management whether any alleged ethics violations were reported during the fiscal period. Management has received no such allegations.

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

---

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

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



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

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

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

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

### ***Other***

---

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

**Results:** We inquired of management whether the District had any misappropriations of public funds or assets. Management reported there have not been any misappropriations of public funds or assets.

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

**Results:** The District does not have a website. We observed that the District has posted on its premises the notice required by R.S. 24:523.1.

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

**Results:** No exceptions were identified as a result of these procedures.

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  
April 27, 2018



---

STAGNI & COMPANY, LLC

---