

Financial Report

Terrebonne Parish Fire District No. 4-A

Houma, Louisiana

For the year ended December 31, 2017

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For the year ended December 31, 2017

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Fire District No. 4-A
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities and each major fund of Terrebonne Parish Fire District No. 4-A, State of Louisiana (the District), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2017, 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 of 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 District'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 District'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 financial position of the governmental activities and each major fund of Terrebonne Parish Fire District No. 4-A as of December 31, 2017, and the respective changes in financial position and the budgetary comparison for the General Fund 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 the Management's Discussion and Analysis on pages 4 through 9, the Schedule of the District's Proportionate Share of Net Pension Liability on page 37 and the Schedule of the Districts Contributions on page 38 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Terrebonne Parish Fire District No. 4-A basic financial statements. The accompanying supplementary information, on page 39, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 18, 2018 on our consideration of Terrebonne Parish Fire District No. 4-A's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
June 18, 2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Fire District No. 4-A

The Management's Discussion and Analysis of the Terrebonne Parish Fire District No. 4-A's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2017 by \$985,623 (net position), which represents a 8.82% decrease from last fiscal year.

The District's revenue decreased \$27,810 (or 2.06%) primarily due to the decrease in ad valorem taxes.

The District's expenses decreased \$163,071 (or 10.34%) primarily due to decreases in other services and charges and repairs and maintenance.

The District did not have deficit fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's annual report consists of three parts: (1) management's discussion and analysis (this section) (2) financial statements and (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the District:

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the District's net position changed during each 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. The governmental activity of the District is public safety which is comprised of various programs that include construction, maintenance, and operation of fire protection facilities and the prevention and extinguishment of fires.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Debt Service Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 10 through 14 of this report.

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2017, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$985,623. A large portion of the District's net position reflects its net investment in capital assets (e.g., land; buildings; vehicles; office furniture and equipment; machinery and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	December 31,		Dollar Change
	2017	2016	
Current and other assets	\$ 1,879,760	\$ 1,681,741	\$ 198,019
Capital assets	1,760,165	1,838,674	(78,509)
Deferred outflows of resources	518,259	509,464	8,795
Total assets and deferred outflows of resources	4,158,184	4,029,879	128,305
Current and other liabilities	76,459	71,997	4,462
Long-term liabilities	1,484,393	1,670,043	(185,650)
Deferred inflows of resources	1,611,709	1,206,831	404,878
Total liabilities and deferred inflows of resources	3,172,561	2,948,871	223,690
Net Position:			
Net investment in capital assets	1,605,165	1,613,674	(8,509)
Deficit	(619,542)	(532,666)	(86,876)
Total net position	\$ 985,623	\$ 1,081,008	\$ (95,385)

Governmental Activities

Governmental activities decreased the District's net position by \$95,385. Key elements of this decrease are as follows:

Condensed Statement of Activities

	For the Year Ended December 31,		Dollar Change	Total Percent Change
	2017	2016		
Revenues:				
Taxes	\$ 1,191,953	\$ 1,238,898	\$ (46,945)	-3.79%
Intergovernmental	95,379	89,569	5,810	6.49%
Miscellaneous	31,830	18,505	13,325	72.01%
Total revenues	1,319,162	1,346,972	(27,810)	-2.06%
Expenses:				
General government	61,405	67,039	(5,634)	-8.40%
Public safety	1,345,304	1,499,684	(154,380)	-10.29%
Interest	7,838	10,895	(3,057)	-28.06%
Total expenses	1,414,547	1,577,618	(163,071)	-10.34%
Decrease in net position	(95,385)	(230,646)	135,261	-58.64%
Net position, beginning of year	1,081,008	1,311,654	(230,646)	-17.58%
Net position, end of year	\$ 985,623	\$ 1,081,008	\$ (95,385)	-8.82%

In 2017, the District's ad valorem tax revenues decreased \$46,945 primarily due to lower assessed values while miscellaneous revenue increased by \$13,325 due to a donation received from Firehouse Subs Public Safety Foundation during the year. General government expenses decreased by \$163,071 due to a decrease in ad valorem tax adjustments and deductions, and public safety expenses primarily decreased due to a decrease in other services and charges and repairs and maintenance.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$373,962 which is a decrease of \$38,445 in comparison with the prior year. At December 31, 2017, the District had an unassigned fund balance of \$208,200. The remainder of fund balance is assigned to indicate that it is not available for spending because it is intended for debt service.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$208,200. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. The fund balance of the District's General Fund increased by \$40,402 during the current fiscal year. The key factor of this increase was the District's expenditure budget was sufficient to allow for excess revenues in 2017.

The Debt Service Fund has a total fund balance of \$165,762. The decrease of \$78,847 in fund balance was due to the debt service requirements. Beginning in 2016, all ad valorem tax receipts are recognized as revenue in the General Fund and cash is moved to the Debt Service Fund as bond principal and interest are due. In this manner the interfund balance will be paid down over the remaining life of the bonds.

General Fund Budgetary Highlights

The budget was amended once during the year. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Decrease in the amount of ad valorem taxes by \$45,767 to better reflect the expected amount of taxes that were to be recognized as revenues.

- Increase in miscellaneous revenue of \$22,570 to reflect a donation received from Firehouse Subs Public Safety Foundation.

Expenditures

- Decrease in other services and charges by \$16,766 to reflect lower insurance expenses than anticipated.
- Increase in personal services by \$13,205 to reflect higher firefighter's retirement and worker's compensation expenses than anticipated.
- Increase in capital expenditures by \$72,733 to reflect the purchase of machinery and equipment.

During the year, actual revenues and expenditures exceeded budgetary estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's net investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$1,760,165 (net of accumulated depreciation). This investment in capital assets includes land, buildings, office furniture and equipment, vehicles and machinery and equipment.

	<u>2017</u>	<u>2016</u>
Land	\$ 80,500	\$ 80,500
Buildings	1,554,072	1,554,072
Vehicles	1,743,154	1,737,841
Machinery and equipment	429,552	338,406
Office furniture and equipment	<u>17,939</u>	<u>17,939</u>
Totals	<u>\$ 3,825,217</u>	<u>\$ 3,728,758</u>

Significant capital asset purchases included:

- Purchase of individual safety devices and uniforms, \$27,550
- Purchase of a compressor and generator, \$39,900
- Purchase of lawn care equipment, \$9,900

Additional information on the District's capital assets can be found in the Note 6, Exhibit F of this report.

Long-term Obligations

At December 31, 2017, the District had \$155,000 in long-term obligations, down from \$225,000 for a decrease of \$70,000 which was the amount of 2017 principal payment on outstanding debt. During 2015, the District implemented GASB Statement No. 68, "Accounting and Financial

Reporting for Pensions.” The net pension liability was decreased by \$115,650 during 2017 to a balance of \$1,329,393 as of December 31, 2017. More detailed information about the District’s bonds and net pension liability is presented in Notes 8 and 9, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The Board of Directors considered the following factors and indicators when setting next year’s budget, rates, and fees. These factors and indicators include:

- The ad valorem tax revenue budgeted represents the estimated amount of the November 2017 assessment, which the District will receive, for the most part, in January 2018.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District’s finances for all those with an interest in the District’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Fire District No. 4-A, 6129 Grand Caillou Rd., Dulac, LA 70353.

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET**Terrebonne Parish Fire District No. 4-A**

December 31, 2017

	General Fund	Debt Service Fund	Total	Adjustments (Exhibit B)	Statement of Net Position
Assets and Deferred Outflows of Resources					
Cash	\$ 532,427		\$ 532,427		\$ 532,427
Receivables - taxes	973,323		973,323		973,323
Due from other governmental units	341,455		341,455		341,455
Due from other funds	-	\$ 165,762	165,762	\$ (165,762)	-
Prepaid insurance	-	-	-	32,450	32,450
Deposits	105	-	105	-	105
Capital assets:					
Non-depreciable	-	-	-	80,500	80,500
Depreciable, net of accumulated depreciation	-	-	-	1,679,665	1,679,665
Total assets	1,847,310	165,762	2,013,072	1,626,853	3,639,925
Deferred outflows of resources					
Pension	-	-	-	518,259	518,259
Total assets and deferred outflows of resources	\$ 1,847,310	\$ 165,762	\$ 2,013,072	2,145,112	4,158,184
Liabilities and Deferred Inflows of Resources					
Accounts payables and accrued expenditures	\$ 26,405	\$ -	\$ 26,405	\$ 2,325	\$ 28,730
Due to other governmental units	47,729	-	47,729	-	47,729
Due to other funds	165,762	-	165,762	(165,762)	-
Long-term liabilities:					
Due within one year	-	-	-	75,000	75,000
Due after one year	-	-	-	1,409,393	1,409,393
Total liabilities	239,896	-	239,896	1,320,956	1,560,852
Deferred inflows of resources					
Unavailable revenue - property taxes	1,399,214	-	1,399,214	-	1,399,214
Pension	-	-	-	212,495	212,495
Total deferred inflows of resources	1,399,214	-	1,399,214	212,495	1,611,709
Total liabilities and deferred inflows of resources	1,639,110	-	1,639,110	1,533,451	3,172,561
Fund Balance/Net Position					
Fund balances:					
Assigned					
Debt service	-	165,762	165,762	(165,762)	-
Unassigned	208,200	-	208,200	(208,200)	-
Total fund balances	208,200	165,762	373,962	(373,962)	-
Total liabilities and fund balances	\$ 1,847,310	\$ 165,762	\$ 2,013,072		
Net Position (Deficit):					
Net investment in capital assets				1,605,165	1,605,165
Deficit				(619,542)	(619,542)
Total net position				\$ 985,623	\$ 985,623

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Terrebonne Parish Fire District No. 4-A

December 31, 2017

Fund Balances - Governmental Fund		\$ 373,962
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	\$ 3,825,217	
Less accumulated depreciation	<u>(2,065,052)</u>	1,760,165
Deferred outflows of resources used in governmental activities are not financial resources and are not reported in governmental funds		
		518,259
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Prepaid insurance		32,450
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Governmental bonds payable	\$ (155,000)	
Accrued interest payable	(2,325)	
Net pension liability	<u>(1,329,393)</u>	(1,486,718)
Deferred inflows of resources are not due and payable in the current period and are not reported in governmental funds		
		<u>(212,495)</u>
Net Position of Governmental Activities		<u>\$ 985,623</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

Terrebonne Parish Fire District No. 4-A

For the year ended December 31, 2017

	General Fund	Debt Service Fund	Total	Adjustments (Exhibit D)	Statement of Activities
Revenues					
Taxes	\$ 1,191,942	\$ 11	\$ 1,191,953		\$ 1,191,953
State of Louisiana:					
State revenue sharing	15,329	-	15,329		15,329
Fire insurance tax	28,819	-	28,819		28,819
Supplemental pay	51,231	-	51,231		51,231
Miscellaneous:					
Interest	6,794	7	6,801		6,801
Other income	22,570	-	22,570	2,459	25,029
Total revenues	<u>1,316,685</u>	<u>18</u>	<u>1,316,703</u>	<u>2,459</u>	<u>1,319,162</u>
Expenditures/Expenses					
Current:					
General Government:					
Ad valorem tax adjustment	21,741	-	21,741	-	21,741
Ad valorem tax deductions	39,664	-	39,664	-	39,664
Total general government	<u>61,405</u>	<u>-</u>	<u>61,405</u>	<u>-</u>	<u>61,405</u>
Public safety:					
Personal services	894,047	-	894,047	43,379	937,426
Supplies and materials	34,273	-	34,273	-	34,273
Other services and charges	130,513	-	130,513	6,079	136,592
Repairs and maintenance	62,045	-	62,045	-	62,045
Depreciation and amortization	-	-	-	174,968	174,968
Total public safety	<u>1,120,878</u>	<u>-</u>	<u>1,120,878</u>	<u>224,426</u>	<u>1,345,304</u>
Debt service:					
Principal retirement	-	70,000	70,000	(70,000)	-
Interest and fiscal charges	-	8,515	8,515	(1,027)	7,488
Bond agent fees	-	350	350	-	350
Total debt service	<u>-</u>	<u>78,865</u>	<u>78,865</u>	<u>(71,027)</u>	<u>7,838</u>
Capital outlay	96,459	-	96,459	(96,459)	-
Total expenditures/expenses	<u>1,278,742</u>	<u>78,865</u>	<u>1,357,607</u>	<u>56,940</u>	<u>1,414,547</u>
Excess (deficit) of revenues over expenditures	37,943	(78,847)	(40,904)	(54,481)	(95,385)
Other Financing Sources (Uses)					
Insurance proceeds	2,459	-	2,459	(2,459)	-
Net Change in Fund Balance	40,402	(78,847)	(38,445)	38,445	-
Change in Net Position	-	-	-	(95,385)	(95,385)
Fund Balances/Net Position					
Beginning of year	167,798	244,609	412,407	668,601	1,081,008
End of year	<u>\$ 208,200</u>	<u>\$ 165,762</u>	<u>\$ 373,962</u>	<u>\$ 611,661</u>	<u>\$ 985,623</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES TO THE STATEMENT OF ACTIVITIES**

Terrebonne Parish Fire District No. 4-A

For the year ended December 31, 2017

Net Change in Fund Balances - Governmental Fund \$ (38,445)

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.

Capital outlay	\$ 96,459	
Depreciation expense	<u>(174,968)</u>	(78,509)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, the transaction, however, has no effect on net position.

70,000

Some expenditures reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Decrease in accrued interest payable	\$ 1,027	
Decrease in prepaid insurance	<u>(6,079)</u>	(5,052)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.

(43,379)

Pension expense

Change in Net Position of Governmental Activities **\$ (95,385)**

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**

Terrebonne Parish Fire District No. 4-A

For the year ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,186,415	\$ 1,140,648	\$ 1,130,537	\$ (10,111)
Intergovernmental:				
State of Louisiana:				
State revenue sharing	-	-	15,329	15,329
Fire insurance tax	35,000	28,819	28,819	-
Supplemental pay	60,000	51,000	51,231	231
Miscellaneous:				
Interest	275	687	6,794	6,107
Other	-	22,570	22,570	-
Total revenues	<u>1,281,690</u>	<u>1,243,724</u>	<u>1,255,280</u>	<u>11,556</u>
Expenditures				
Public safety:				
Personal services	855,800	869,005	894,047	(25,042)
Supplies and materials	46,100	41,562	34,273	7,289
Other services and charges	148,516	131,750	130,513	1,237
Repairs and maintenance	63,500	69,560	62,045	7,515
Total public safety	<u>1,113,916</u>	<u>1,111,877</u>	<u>1,120,878</u>	<u>(9,001)</u>
Capital outlay	-	72,733	96,459	(23,726)
Total expenditures	<u>1,113,916</u>	<u>1,184,610</u>	<u>1,217,337</u>	<u>(32,727)</u>
Excess of Revenues Over Expenditures	<u>167,774</u>	<u>59,114</u>	<u>37,943</u>	<u>(21,171)</u>
Other Financing Sources (Uses)				
Transfers out	(78,865)	(78,865)	-	78,865
Insurance proceeds	-	-	2,459	2,459
Total other financing sources (uses)	<u>(78,865)</u>	<u>(78,865)</u>	<u>2,459</u>	<u>81,324</u>
Net Change in Fund Balance	88,909	(19,751)	40,402	60,153
Fund Balance				
Beginning of year	516,477	167,798	167,798	-
End of year	<u>\$ 605,386</u>	<u>\$ 148,047</u>	<u>\$ 208,200</u>	<u>\$ 60,153</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Fire District No. 4-A**

December 31, 2017

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Fire District No. 4-A (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. 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 significant accounting policies:

a) Reporting Entity

The District is a component unit of the Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2017.

GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statement No. 14 and No. 34* established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the District and the potential component unit.
4. Imposition of will by the District on the potential component unit.
5. Financial benefit/burden relationship between the District and the potential component unit.

The District has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation

The District's financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the District. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements:

The daily accounts and operations of the District are organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the governmental funds of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund is always a major fund.

Debt Service Fund - The Debt Service Fund is used to account for and report the financial resources that are restricted, committed, or unassigned to expenditures for principle, interest, and related costs. The Debt Service Fund is reported as a major fund.

c) Measurement Focus and 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" transactions are recorded regardless of the measurement focus applied.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (continued)

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2017 property taxes which are being levied to finance the 2018 budget will be recognized as revenue in 2018. The 2017 tax levy is recorded as deferred inflows of resources in the District's 2017 financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principle and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

d) 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. In order to remain in compliance with State budget laws, the District amended its budget twice during the year. 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 accounts principles generally accepted in the United States of America.

The General Fund budget presentation is included in the financial statements.

f) Accounts Receivable

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables 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.

g) Investments

Investments during the year consisted of investments in Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net position to compute share prices if certain conditions are met.

h) Prepaid Insurance

The District has recorded prepaid insurance in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In the fund financial statements insurance premiums are recognized as other services and charges expenditures when paid.

i) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Capital Assets (continued)

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more and a useful life greater than one year are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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 as follows:

Buildings	10 - 40 years
Vehicles	5 - 15 years
Machinery and equipment	5 - 25 years
Office furniture and equipment	5 - 20 years

Fund Financial Statements:

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.

j) Long-Term Obligations

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists of general obligation bonds and net pension liability.

Fund Financial Statements:

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 payments of principal and interest reported as debt service expenditures.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Vacation and Sick Leave

Accumulated vacation and sick leave is recorded as an expenditure of the period in which paid in the governmental funds.

Full time employees are entitled to eighteen days vacation after one year of service. Each year the employee must take their vacation time before their anniversary date (day they first began working). If not taken by their anniversary date, the vacation time is forfeited. The vacation period shall be increased one day for each year of service over ten years, up to a maximum vacation period of thirty days. There was no material accumulated vacation at December 31, 2017.

Every fireman in the employment of a fire protection district shall be entitled to full pay during sickness or incapacity not brought about by his own negligence or culpable indiscretion for a period of no less than fifty-two weeks. A fireman employed by any fire protection district who draws full pay during sickness or incapacity shall have such pay decreased by the amount of workers' compensation benefits actually received by the employee. A fireman is entitled to sick leave benefits even though the injury or illness may have occurred while off duty. Firemen are not prohibited from engaging in part-time employment while receiving sick leave. A probationary fireman who is not a regular or permanent fireman is not entitled to sick leave benefits provided by the District. Sick leave does not vest or accumulate from prior years; accordingly, there is no accumulated sick leave for the District at December 31, 2017.

l) Deferred Outflows/Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and it will not be recognized as an inflow of resources until that time. The governmental fund reports unavailable revenues from property taxes as deferred inflows. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The District reports unavailable revenue when resources associated with imposed non-exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied or (b) the period when resources are required to be used or when use is first permitted for all other imposed non-exchange revenues in which the enabling legislation includes time requirements. In addition to deferred inflows related to non-exchange revenue, the District also reports deferred outflows and inflows of resources related to pensions in its government wide financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Retirement System of Louisiana (the System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

n) Equity

Government-wide Statements:

Equity is classified as net position and displayed in three components:

- a. 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.
- b. Restricted – Consists of assets and deferred outflow of resources less liabilities and deferred inflow of resources (net position) 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.
- c. Unrestricted – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2017, the District had no restricted resources.

Fund Financial Statements:

Government fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to maintain intact.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Equity (continued)

- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements 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 action of the District’s Board of Commissioners. Commitments may be established, modified, or rescinded only through resolutions approved by the District’s Board of Commissioners.
- d. Assigned – amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Assigned amounts may be established, modified or rescinded by the chairman of the District’s Board of Commissioners or his representative.
- e. Unassigned – all other spendable amounts.

For the classification of government fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District’s fund balance was classified as assigned and unassigned as of December 31, 2017.

o) New GASB Statements

During the year ending December 31, 2017, the District implemented the following GASB Statements:

Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans other than Pension Plans*" addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria and follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments and also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement did not affect the District’s financial statements.

Statement No. 80, "*Blending Requirement for Certain Component Units*" improves financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

the sole corporate member. This requirement enhances comparability and decision usefulness of financial statements among governments. Management has not yet determined the effect of this Statement on the financial statements. This Statement did not affect the District's financial statements.

Statement No. 81, *"Irrevocable Split Interest Agreements"* provides recognition and measurement guidance for situation in which a government is a beneficiary of an irrevocable split interest agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split interest agreement recognize assets, liabilities and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in agreements administered by third parties. Governments are required by this Statement to recognize revenue when the resources become applicable to the reporting period. This Statement enhances comparability and decision usefulness of financial statements among governments. Management has not yet determined the effect of this Statement on the financial statements. This Statement did not affect the District's financial statements.

Statement No. 82, *"Pension Issues"* addresses several issues raised with respect to Statements No. 67, *"Financial Reporting for Pension Plans,"* No. 68, *"Accounting and Financial Reporting for Pensions,"* and No. 73, *"Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68."* Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes; and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement did not affect the District's financial statements.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 75, *"Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions"* replaces the requirements of GASB Statement No. 45. This Statement requires governments to report a liability on the face of the financial statements for the OPEB that they provide: governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

specified criteria will report a net OPEB liability, governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan and governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 83, "*Certain Asset Retirement Obligations*" addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This Statement is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

Statement No. 85, "*Omnibus 2017*." On March 20, 2017, GASB issued "*Omnibus 2017*" covering four main topics: blending component units; goodwill, fair value measurement and application; and postemployment benefits. "*Omnibus 2017*" is effective for fiscal years beginning after June 15, 2017. However, due to the nature of topic covered, GASB is allowing the option of early implementation for single topics. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 86, "*Certain Debt Extinguishment Issues*" improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Note 2 - DEPOSITS

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

Note 2 - DEPOSITS (Continued)

Bank Deposits:

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

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash	\$ 172,349	\$ 128,090

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a written policy for custodial credit risk but does comply with State law in custodial activities. As of December 31, 2017, the District's bank balance of \$172,349 was fully covered by FDIC insurance and was not exposed to credit risk.

Investments:

State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the District's investment policy emphasizes maintaining liquidity to match specific cash flows.

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no written investment policy that would further limit its investment choices.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent-person rule. This policy states, investments should be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for

Note 2 - DEPOSITS (Continued)

investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed on the safety of the principal secondly to maintain liquidity to meet operating requirements and finally to obtain the most favorable rate of return. The District's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAM.

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by the securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balance. Investment in LAMP at December 31, 2017 amounted to \$404,337 and is reported in cash as of December 2017.

LAMP is designed to be highly liquid to give its participants immediate access to their account balance. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Note 2 - DEPOSITS (Continued)

As of December 31, 2017 the balance reported as cash included the following:

Deposits in bank	\$	128,090
LAMP		404,337
Total cash	\$	532,427

Note 3 - PROPERTY TAXES

Property taxes are levied each November 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 Terrebonne 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 for the year ended December 31, 2017 was \$17.87 per \$1,000 of assessed valuation on property within Fire District No. 4-A for the purpose of constructing, maintaining, and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes, including fire hydrant rentals and services. As indicated in Note 1c, taxes levied November 1, 2016 were for budgeted expenditures in 2017 and were recognized as revenues in 2017.

Note 4 - DUE FROM OTHER GOVERNMENTS

Amounts due from and to other governmental units at December 31, 2017 consisted of the following:

	Due From	Due To
State of Louisiana:		
State revenue sharing	\$ 10,195	
Firefighters' Retirement System contributions	-	\$ 21,642
Terrebonne Parish Consolidated Government:		
Insurance premiums	-	26,087
Terrebonne Parish Tax Collector - December, 2017 collections remitted to the District in January, 2018		
General Fund:		
Ad valorem taxes	326,163	
State revenue sharing	5,097	-
Total	\$ 341,455	\$ 47,729

Note 5 - DUE TO/FROM OTHER FUNDS

Due to/from other funds for the year ended December 31, 2017 are as follows:

	Receivable Fund	Payable Fund
General Fund		\$ 165,762
Debt Service Fund	\$ 165,762	

The receivable in the Debt Service Fund is the result of ad valorem taxes collected for the purpose of debt service being deposited in the General Fund.

Note 6 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Capital assets not being depreciated:				
Land	\$ 80,500			\$ 80,500
Capital assets being depreciated:				
Buildings	1,554,072			1,554,072
Vehicles	1,737,841	\$ 5,313		1,743,154
Machinery and equipment	338,406	91,146		429,552
Office furniture and equipment	17,939	-		17,939
Total capital assets being depreciated	3,648,258	96,459		3,744,717
Less accumulated depreciation for:				
Buildings	(585,080)	(41,824)		(626,904)
Vehicles	(1,051,893)	(111,861)		(1,163,754)
Machinery and equipment	(237,996)	(19,579)		(257,575)
Office furniture and equipment	(15,115)	(1,704)		(16,819)
Total accumulated depreciation	(1,890,084)	(174,968)		(2,065,052)
Total capital assets being depreciated, net	1,758,174	(78,509)		1,679,665
Total capital assets, net	\$ 1,838,674	\$ (78,509)	\$ -	\$ 1,760,165

Note 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenditures at December 31, 2017 consisted of the following:

	General Fund	Debt Service Fund	Total
Governmental funds			
Vendors	\$ 3,049		\$ 3,049
Payroll, withholdings and payroll taxes	23,356		23,356
Total governmental funds	26,405		26,405
Governmental activities			
Accrued interest on long-term debt	-	\$ 2,325	2,325
Total accounts payable and accrued expenditures	\$ 26,405	\$ 2,325	\$ 28,730

Note 8 - LONG-TERM OBLIGATIONS

At December 31, 2017, the District had general obligation bonds, series 2004, totaling \$155,000 bearing interest at a rate of 3.89% per year, are repayable through March 1, 2019 primarily from ad valorem tax revenues.

Through December 31, 2017, the District recognized obligations in the amount of \$1,329,393 for the defined benefit pension plan as further described in Note 9.

The following is a summary of changes in long-term debt for the year ended December 31, 2017:

	Payable January 1, 2017	Issuances	Obligations Retired	Payable December 31, 2017
Bonds Series 2004	\$ 225,000		\$ 70,000	\$ 155,000
Net pension liability	1,445,043	-	115,650	1,329,393
	\$ 1,670,043	\$ -	\$ 185,650	\$ 1,484,393

The annual requirements to amortize all long-term debt outstanding at December 31, 2017 are as follows:

Year	Principal	Interest	Total
2018	75,000	5,287	80,287
2019	80,000	1,800	81,800
Totals	\$ 155,000	\$ 7,087	\$ 162,087

Note 9 - DEFINED BENEFIT PENSION PLAN

Plan Description – The District contributes to the Firefighters’ Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public retirement system, which is controlled and administered by a separate Board of Trustees. The System is governed by Louisiana Revised Statutes 11:2251 through 11:2272, specifically, and other general laws of the State of Louisiana. Membership in the System is a condition of employment for any full-time firefighter earning at least \$375 per month and generally between the ages of 18 and 50 years old.

Benefits Provided - The System provides retirement, deferred and disability benefits, survivor’s benefits and cost of living adjustments to plan members and beneficiaries. Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits there from may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System. Employees with 20 or more years of service who have attained age 50 or employees with twelve years of service and age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on 36 consecutive months of highest pay multiplied by their total years of service. Employees may elect to receive a joint or survivor annuity. If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated benefits received from the employer’s contributions. The State Legislature authorized the System to establish a deferred retirement option plan (DROP). After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in DROP for up to 36 months. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Contributions – Employer contributions are actuarially determined each year. For the year ended June 30, 2017, the employer contribution rate for the period January 1, 2017 through June 30, 2017 was 25.25% and 26.25% for the period July 1, 2017 through December 31, 2017. Plan members are required to contribute 10% of their annual covered payroll.

Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)

The District's contributions to the System for the years ending December 31, 2017, 2016, and 2015 were \$145,759, \$135,723 and \$110,293, respectively, equal to the required contributions for each year.

Pension Liabilities – At December 31, 2017, the District reported a net pension liability of \$1,329,393 for its proportionate share of the System's net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of the contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District's proportion was 0.231931% which was an increase of 0.01101% from its proportion measured as of June 30, 2016.

Pension Expense – For the year ended December 31, 2017, the District recognized pension expense of \$195,033.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (64,739)
Changes in assumptions	55,602	(81)
Changes in proportions	250,551	(147,675)
Net difference between projected and actual earnings on pension plan investments	131,403	-
Contributions subsequent to the measurement date	<u>80,703</u>	<u>-</u>
	<u>\$ 518,259</u>	<u>\$ (212,495)</u>

The District reported \$80,703 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the year ending December 31st,</u>	<u>Amount</u>
2018	\$ 67,537
2019	73,401
2020	22,662
2021	806
2022	49,413
2023	<u>11,242</u>
Total	<u>\$ 225,061</u>

Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions – The actuarial assumptions used in the June 30, 2017 valuation were based on the assumptions used in the June 30, 2017 actuarial funding valuation. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are summarized in the following table:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost
Estimated Remaining Service Life	7 years
Investment Rate of Return	7.40% per annum, net of fees
Inflation Rate	2.775% per annum
Salary Increases	Vary from 15.0% in the first two years of service to 4.75% after 25 years
Cost of Living Adjustments	Only those previously granted

The mortality rate assumption used was based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant and beneficiary mortality. The RP-2000 Disabled Lives Morality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvements.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The long-term expected nominal rate of return was 8.29% as of June 30, 2017.

Best estimates of real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2017 are summarized on the following page:

Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of return</u>
Equity		
U.S. Equity	27%	6.15%
Non-U.S. Equity	20%	7.45%
Global Equity	10%	6.85%
Fixed Income	23%	2.04%
Alternatives		
Real Estate	6%	4.62%
Private Equity	4%	8.73%
Multi-Asset Strategies		
Global Tactical Asset Allocation	5%	4.40%
Risk Parity	5%	4.79%

Discount Rate – The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the participating employers calculated using the discount rate of 7.40%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.40%) or one percentage-point higher (8.40%) than the current rate as of June 30, 2017.

	<u>1% Decrease 6.40%</u>	<u>Current Discount Rate 7.40%</u>	<u>1% Increase 8.40%</u>
District’s proportionate share of the net pension liability	\$ 1,910,393	\$ 1,329,393	\$ 841,069

Pension Plan Fiduciary Net Position - The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Firefighters’ Retirement System of Louisiana, 2051 Silverside Drive, Suite 210, Baton Rouge, Louisiana 70808-4136 or on the System’s website, www.lafirefightersret.com.

Note 10 - SUPPLEMENTAL PAY

In addition to the compensation paid to the District's employees, firemen may be eligible to receive supplemental pay. The amount of the compensation is determined by State Law and is revised periodically.

As per Louisiana Revised Statute 33:2004, any full-time, regular employee of the parish fire protection district who is hired after March 31, 1986, who has passed a certified firemen's training program equal to the National Fire Protection Association Standard 1001 and who is paid three hundred dollars per month from public funds is eligible for supplemental pay. These full-time employees are carried on the payroll paid from funds of the Parish obtained through lawfully adopted bond issues or lawfully assessed taxes, either directly or through a board or commission set up by law or ordinance. Employees employed by the District are not eligible for supplemental pay if they are presently drawing a retirement or disability pension, clerical employees and mechanics and for those employees who have not passed a certified firemen's training program but are hired after March 31, 1986. State supplemental pay for firefighters must be taken into account in calculating firefighters longevity pay, holiday pay and overtime pay.

As of December 31, 2017, the District has recognized revenue and expenditures of \$51,231 in salary supplements that the State of Louisiana has paid directly to the District's employees.

Note 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance and also participates in the Parish's risk management program for workers' compensation and group health insurance. No settlements were made during the year that exceeded the District's insurance coverage. The District pays monthly premiums to the Parish for workers' compensation based on a fixed percentage of payroll. The District's premiums for group health insurance are based on a fixed rate per employee. The Parish handles all claims filed against the District related to workers' compensation. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Policy</u>	<u>Coverage Limits</u>
Workers' Compensation	Statutory
Group Health Insurance	

The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2016 was \$19,880,318. The Parish is covered under an insurance contract for the excess

Note 11 - RISK MANAGEMENT (Continued)

liability on individual claims. Covered employees are subject to a lifetime maximum claim limit. Coverage for group health claim liabilities are to be funded first by assets of the Parish's Group Health Internal Service Fund, \$238,436 as of December 31, 2016, then secondly by the District. Coverage for workers' compensation claims in excess of the statutory limits are funded by an insurance contract for claims up to aggregate limits. Workers' compensation claims in excess of the aggregate limits are funded first by the assets of the Parish's Workers' Compensation Internal Service Fund then secondly by the District. At December 31, 2017, the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverage during the year ended December 31, 2017 totaled \$120,097.

Note 12 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 2017:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Roland Aucoin	11	\$ 330
Pamela Carlos	11	330
Louis Pitre	*	-
Marty Theriot	8	240
Kirby Verret	10	300
Total		<u>\$ 1,200</u>

* Louis Pitre waived his right to receive a per diem.

Note 13 - STATE OF LOUISIANA TAX ABATEMENTS

The District's ad valorem tax revenue was reduced by \$168,117 under agreements entered into with the State of Louisiana.

Note 14 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 18, 2018, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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

Terrebonne Parish Fire District No. 4-A

December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.231931%	0.220924%	0.164431%
District's proportionate share of the net pension liability	\$ 1,329,393	\$ 1,445,043	\$ 887,453
District's covered-employee payroll	\$ 529,451	\$ 498,066	\$ 377,072
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	251.09%	290.13%	235.35%
Plan fiduciary net position as a percentage of the total pension liability	73.55%	68.16%	72.45%

SCHEDULE OF DISTRICT CONTRIBUTIONS**Terrebonne Parish Fire District No. 4A**

December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 145,759	\$ 135,723	\$ 110,293
Contributions in relation to the contractually required contribution	145,759	135,723	110,293
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 562,185</u>	<u>\$ 498,066</u>	<u>\$ 377,072</u>
Contributions as a percentage of covered-employee payroll	25.93%	27.25%	29.25%

SUPPLEMENTARY INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Terrebonne Parish Fire District 4-A

December 31, 2017

Agency Head Name: Shawn Bumm

Purpose	Amount
Salary	\$ 67,235
Benefits - insurance	6,070
Benefits - retirement	17,316
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	289
Conference travel	-
Continuing professional education fees	325
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	\$ 91,235

Note: Shawn Bumm is the Fire Chief of the District and functions as the Chief Executive Officer.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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
Terrebonne Parish Fire District No. 4-A
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Terrebonne Parish Fire District No. 4-A (the District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise District's financial statements and have issued our report thereon dated June 18, 2018.

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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
June 18, 2018.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Fire District No. 4-A

For the year ended December 31, 2017

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency (ies) identified that are not
 considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

b) Federal Awards

Terrebonne Parish Fire District No. 4-A did not expend federal awards in excess of \$750,000 during the year ended December 31, 2017.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2017.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Fire District No. 4-A

For the year ended December 31, 2017

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control and Compliance

No material weaknesses were noted during the audit for the year ended December 31, 2016.

No significant deficiencies were reported during the audit for the year ended December 31, 2016.

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2016.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Fire District No. 4-A did not expend federal awards in excess of \$750,000 during the year ended December 31, 2016.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2016.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Fire District No. 4-A

For the year ended December 31, 2017

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control and Compliance

No material weaknesses were noted during the audit for the year ended December 31, 2017.

No significant deficiencies were reported during the audit for the year ended December 31, 2017.

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2017.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Fire District No. 4-A did not expend federal awards in excess of \$750,000 during the year ended December 31, 2017.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2017.

AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
Terrebonne Parish Fire District No. 4A,
Theriot, Louisiana.

We have performed the procedures described in Schedule 2, which were agreed to by Terrebonne Parish Fire District No. 4A, State of Louisiana (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 year ended 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 the attestation standards established by the AICPA and applicable standards of Governmental 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 referred to above, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are described in Schedule 2.

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 these 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 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 23:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
June 18, 2018.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Terrebonne Parish Fire District No. 4A

For the year ended December 31, 2017

The required procedures and our findings are as follows:

Procedures performed on the District's written policies and procedures:

1. Obtain the District'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 District does not have any written policies and procedures), as applicable:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting, and found it to contain all requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
 - 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.

Performance: Obtained and read the written policy for purchasing.
Exceptions: The policy does not specify in which instances purchase orders should be used.
Management's response: Management will consider specifying which transactions require the use of purchase orders.
 - c) Disbursements, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements, and found it to contain all requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the District's written policies and procedures: (Continued)

- d) Receipts, including receiving, recording, and preparing deposits.
Performance: Obtained and read the written policy for receipts, and found it to contain all requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Performance: Obtained and read the written policy for payroll/personnel.
Exceptions: Management's policy on payroll/personnel does not include how leave is reviewed and approved.
Management's response: Management will consider adding the process to review and approve leave to their existing payroll/personnel policy.
- 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.
Performance: Obtained and read written policy for contracting.
Exceptions: Management's policy on contracting does not include a provision discussing standard terms and conditions for contracts.
Management's response: Management will consider adding a provision discussing the standard terms and conditions for contracts.
- 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.
Performance: Obtained and read the written policy for credit cards, and found it to contain all requirements listed above.
Exceptions: There are no exceptions noted.
Management's response: Not applicable.
- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements; and (4) required approvers.
Performance: Obtained and read the written policy for travel and expenses.
Exceptions: Management's policy on travel and expense reimbursement does not include dollar thresholds by category of expense.
Management's response: Management will consider adding dollar thresholds by category of expense to their existing travel and expense reimbursement policy.

Procedures performed on the District's written policies and procedures: (Continued)

- 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.

Performance: Obtained and read the written policy for ethics, and found it to contain all of the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- j) Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements; and (4) debt service requirements.

Performance: Inquired of management as to a written debt service policy.

Exceptions: The District does not have a debt service policy.

Management's response: Management will consider implementing a debt service policy.

Procedures performed on the District's Board:

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.

Performance: Obtained and read the written minutes of board meetings, as well as inquired about advertising for Board meetings in the local newspaper.

Exceptions: January meeting minutes were not published in the local newspaper.

Management's response: Management will publish all meeting minutes in the local newspaper.

- 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).

Performance: Inspected meeting minutes and inquired of management of monthly budget-to-actual comparisons.

Exceptions: There were no budget to actual financial statements or references to such statements in the minutes.

Management's response: Management will consider adding budget to actual financial statements to the monthly minutes.

Procedures performed on the District's board: (Continued)

- 1) 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.
Performance: Financial statements do not report deficit spending.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- 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.
Performance: Inspected the board's meeting minutes for the fiscal year and noted non-budgetary financial information in the form of approvals of contracts and disbursements.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the District's bank reconciliations:

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

4. Using the listing provided by management, select all of the District's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 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;
Performance: The District has one bank account. Inspected management's documentation for accuracy of bank reconciliations.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the District's bank reconciliations: (Continued)

- 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;
- Performance: Requested documentation for management approvals of bank reconciliation.
 - Exceptions: There was no evidence that bank reconciliation was reviewed for the month of December.
 - Management's response: Management include evidence of review on the bank reconciliations.
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.
- Performance: Inspected documents for items outstanding for more than 6 months.
 - Exceptions: One hundred and eighty-three reconciling items were outstanding for more than 6 months as of the end of the fiscal period, with no research documentation.
 - Management's response: Management will document research of items outstanding for more than 6 months and make any necessary adjusting journal entries.

Procedures performed on the District's collections:

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
- Performance: Observed the listing of cash/check/money order (cash) collection locations from management and received management's representation in a separate letter.
 - Exceptions: There were no exceptions noted.
 - Management's response: Not applicable.
6. Using the listing provided by management, select all of the District'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 5 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.
- Performance: Inquired of client as to all of the requirements.

Procedures performed on the District's collections: (Continued)

Exceptions: The Fire Chief who receives the checks is not bonded. The Secretary to the Chief is responsible for deposits and is not bonded.

Management's response: Management will consider bonding all employees responsible for collections.

- b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the District 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.

Performance: Reviewed reconciliation reports and general ledger, as well as inquiries of management to ensure separation of duties. The accountant records and reconciles receipts. The Board approves the monthly list of receipts and disbursements after payment has been made.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- 1) Using District 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.

Performance: Because the highest dollar week of cash collections will be the week that ad valorem taxes are received, our test population was based across all revenue accounts, and all months throughout the year. We selected a sample of 25 cash receipt transactions.

Exceptions: In five instances, collection documentation was not available to determine the number of days from receipt to deposit.

Management's response: Management will begin to adhere to the policy to deposit all receipts within one day of their actual receipt.

- 2) 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.

Performance: Inspected the journal of cash receipts, internal deposit summaries and deposits per the bank statement.

Exceptions: Collection documentation was not available for two items in a sample of 25 items.

Management's response: Management will attach copies of checks with date received and/or receipts to deposit slips.

Procedures performed on the District's collections: (Continued)

7. Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the District has a process specifically defined (identified as such by the District) 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.

Performance: Obtained and read the written policy for receipts.

Exceptions: The policy states that the Secretary to the Chief opens the mail and lists the checks, the accountant records the transaction and makes the deposit. The procedure actually followed is the Chief opens the mail and lists the checks, the accountant records transactions, and the Secretary to the Chief makes the deposit.

Management's response: Management will consider changing the receipts policy to provide greater segregation of duties.

Procedures performed on the District's general disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments):

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

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

9. Using the disbursement population from Step #8 above, select 25 disbursements (or 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.

Performance: Selected 25 disbursements exceeding \$1,800 each. Requested requisitions, purchase orders, and related invoices, as well as inquiries of the District.

Exceptions: There were 17 instances in which requisitions/purchase orders were not used for purchases.

Management's response: Management will consider revising their policy to state in which instances requisitions/purchase orders are used for purchases.

Procedures performed on the District's general disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments): (Continued)

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
Performance: Selected 25 disbursements over \$1,800 each. Requested requisitions, purchase orders, related invoices, and made inquiries of the District management.
Exceptions: The Fire Chief created the purchase order and approved the purchase order for two instances. Therefore, there was no approval by a person who did not initiate the purchase.
Management's response: Management will consider requiring a person who did not initiate the purchase approve the purchase order.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
Performance: Selected 25 disbursements in excess of \$1,800 each. Requested requisitions, purchase orders, related invoices, and made inquiries of the District management.
Exceptions: There were 19 instances where receiving reports were not utilized.
Management's response: Management will consider documenting the receipt of goods or services through receiving reports, packing slips, or other documentation.
10. Using District 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 District's purchasing/disbursement system.
Performance: Inspected procedures and inquired of management as to separation of duties.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
11. Using District 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.
Performance: Inspected documentation and inquired of management about signatory authority. Purchases are initiated by the Fire Chief, who does not have signatory authority. The checks require two signatures by the Accountant and the Chairman or Vice Chairman.
Exceptions: There were no exceptions were noted.
Management's response: Not applicable.

Procedures performed on the District's general disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments): (Continued)

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.

Performance: Inquired of management where the supply of unused checks is held. The unused checks are kept locked in the Accountant's office.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Inquired of management and Accountant as to whether there is a signature stamp or machine. The District does not have a signature stamp or machine.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on the District's 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.

Performance: Obtained the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

15. Using the listing prepared by management, 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.

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):

**Procedures performed on the District's credit cards, debit cards, fuel cards, P-cards:
(Continued)**

- 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.

Performance: Obtained all monthly statements for three credit cards and observed for supporting documentation, as well as approvals.

Exceptions: The Fire Chief's credit card statement and supporting documentation is reviewed and approved by him.

Management's response: Management will consider having the card holder's statement and supporting documentation reviewed and approved by someone other than the card holder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Performance: Traced all open account payments and balances on the statement in order to note if any fees were applied to balances.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

16. Using the monthly statements or combined statements selected under Step #15 above, obtain supporting documentation for all transactions for each of the cards selected (i.e., each of the cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt (i.e., identifies precisely what was purchased)

Performance: Traced each transaction to an original itemized receipt.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

- 2) Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Performance: Requested documentation of the purpose of each transaction.

Exceptions: There were no exceptions.

Management's response: Not applicable.

**Procedures performed on the District's credit cards, debit cards, fuel cards, P-cards:
(Continued)**

- 3) Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Performance: Observed documentation for transactions and inspected policy for other documentation that may be required.

Exceptions: Policy does not state in which instances purchase orders are needed.

Management's response: Management will prepare purchase orders for all purchases, or change policy to state in which circumstances purchase orders are needed.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the District'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.

Performance: Compared the transaction detail to the written disbursement policy and Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) For each transaction, compare the District'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 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.

Performance: Inspected all detail transactions and compared them to the requirements of Article 7, Section 14 of the Louisiana Constitution.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on the District's travel and expense reimbursements:

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.

Performance: Obtained general ledger for travel and related expense reimbursements. No travel related expense reimbursements were noted. Management's representation of the general ledger was confirmed in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on the District's travel and expense reimbursements: (Continued)

18. Obtain the District'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) and report any amounts that exceed GSA rates.

Performance: Inquired of management for a travel and expense reimbursement policy.

Exceptions: Management's travel and expense reimbursement policy does not address a per diem rate for lodging or mileage.

Management's response: Management will consider including following GSA rates for lodging and mileage.

19. Using the listing or general ledger from Step #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 District does not have written policies, compare to the GSA rates (Step #18 above) and report each reimbursement that exceeded those rates.

Performance: Inspected all travel expense accounts and inquired of management as to the existence of any travel related expenses.

Exceptions: Meal receipt for a training class does not state employee names that participated.

Management's response: Management will consider having an itemized receipt with employee's names that participated in the meal.

b) Report whether each expense is supported by:

1) An original itemized receipt that identifies precisely what was purchased.

Performance: Inspected all travel expense accounts and inquired of management as to the existence of any travel related expenses.

Exceptions: There was no itemized receipt for one meal while attending a training class.

Management's response: Management will consider having an itemized receipt for all purchases.

2) Documentation of the business/public purpose.

Performance: Traced expense to the original itemized receipt with detail of purchase.

Exceptions: There was one instance, as reported above, that there was no itemized receipt.

Management's response: Management will consider having an itemized receipt for all purchases.

Procedures performed on the District's travel and expense reimbursements: (Continued)

- 3) Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
Performance: Inspected all documents provided for all travel reimbursements selected.
Exceptions: There was no proof of attendance for LANREMT 2017 conference.
Management's response: Management will require evidence of attendance of all employees.
- c) Compare the District'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).
Performance: Inspected the business/public purpose of all travel reimbursements selected and compared them to Article 7, Section 14 of the Louisiana Constitution.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
Performance: Inspected all travel expense accounts and inquired of management as to the existence of any travel related expenses.
Exceptions: The Fire Chief authorizes his own training expenses.
Management's response: Management will obtain Board authorization for travel and training.

Procedures performed on the District's 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.
Performance: Obtained a list of contracts from the general ledger, and received management's representation of completeness in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the District's contracts: (Continued)

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period. 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.

Performance: Obtained the listing of contract vendors and selected the only four contract "vendors" that were paid during the fiscal year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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:

1) If yes, obtain/compare supporting contract documentation to legal requirements and report whether the District complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Performance: Not applicable. No contracts subject to Louisiana Public Bid Law.

Exceptions: Not applicable.

Management's response: Not applicable.

2) If no, obtain supporting contract documentation and report whether the District solicited quotes as a best practice.

Performance: Inspected payments made to vendor and inquired of client as to receipt of any other quotes. Per contracting for services, the District obtains quotes for services costing between \$10,000 and \$30,000.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Inspected payments and inquired of client as to any amendments to the contracts. There were no amended contracts.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Inspected the invoices and payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on the District's contracts: (Continued)

- 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).

Performance: Inspected board meeting minutes for documentation of Board approval.

Exceptions: There was no evidence per meeting minutes that the contracts received Board approval.

Management's response: Management will consider obtaining Board approval for all contracts.

Procedures performed on the District's 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. Select five employees/officials, obtain their personnel files:

Performance: Obtained the listing of employees with their related salaries from management, and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Reviewed pay rate changes, but the District does not have an employment contract or pay rate structure.

Exceptions: The District does not have an employment contract or pay rate structure to compare if payments were made in accordance with terms and conditions.

Management's response: Management will consider adopting a 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.

Performance: Reviewed Board minutes and time sheets. Pay changes were approved on the payroll time sheets.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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, select 25 employees/officials (or select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

Procedures performed on the District's payroll and personnel: (Continued)

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
Performance: Selected one pay period to test leave taken during that period. Inspected all daily attendance and leave records for proper documentation.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
Performance: Inspected time sheets for the pay period selected. The Fire Chief approves time sheets that specify hours taken for vacation and sick leave.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
- c) Report whether there is written documentation that the District maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
Performance: Inquired and confirmed that the District does maintain written leave records for each employee eligible for paid leave.
Exceptions: There were no exceptions noted.
Management's response: 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.
Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete.
Exceptions: There was no policy and/or contract that outlined termination payments.
Management's response: Management will consider adding termination procedures to the existing payroll/personnel policy.
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.
Performance: Inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Procedures performed on the District's ethics:

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

Performance: Inspected personnel files and ethics course completion certificates for the five employees tested.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

27. Inquire of management whether any alleged ethics violations were reported to the District 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 District's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Performance: Inquired of management of any ethics violations, none were noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on the District's debt service:

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

Performance: Inquired of management as to issuance of debt during the fiscal year. No debt was issued during the fiscal period.

Exceptions: Not applicable.

Management's response: Not applicable.

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

Performance: Obtained documentation on outstanding debt during the period.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

30. If the District 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.

Procedures performed on the District's debt service: (Continued)

Performance: Confirmed millages used to pay debt service are for operations and maintenance.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Other procedures performed on the District:

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 District reported the misappropriation to the Legislative Auditor and the District Attorney of the parish in which the District is domiciled.

Performance: Inquired of management of any misappropriations of public funds or assets, none were noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

32. Observe and report whether the District 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) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired about such notice posted on the premises.

Exceptions: The District did not post the notice.

Management's response: Management will post the notice.

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

Performance: Inspected all procedures, and the results of such procedures and compared them to management's representations in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.