

*Financial Report*

*Schriever Fire Protection District*

*Schriever, Louisiana*

*For the year ended December 31, 2017*

*Financial Report*

*Schriever Fire Protection District*

*Schriever, Louisiana*

*For the year ended December 31, 2017*

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### Schriever Fire Protection District

For the year ended December 31, 2017

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**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners,  
Schriever Fire Protection District,  
Schriever, Louisiana.

We have audited the accompanying financial statements of the governmental activities and each major fund of Schriever Fire Protection District, (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 opinion.

## **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 the Schriever Fire Protection District 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 Management's Discussion and Analysis on pages 4 through 9 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 District's basic financial statements. The accompanying supplementary information on page 35 is presented for purposes of additional analysis and is not 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary 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 13, 2018 on our consideration of Schriever Fire Protection District'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 13, 2018.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Schriever Fire Protection District**

Management's Discussion and Analysis of the Schriever Fire Protection District's 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 exceeded its liabilities at the close of fiscal year 2017 by \$2,078,603 (net position), which represents a 5.72% increase from last fiscal year.

The District's revenue increased \$81,854 (or 7.74%) primarily due to the increase in ad valorem taxes.

The District's expenses increased \$160,390 (or 18.51%) primarily due to increases in public safety expenditures.

The District did not have a deficit fund balance.

### **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.

## **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 - 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 exceeded liabilities and deferred inflows of resources by \$2,078,603. A large portion of the District's net position (28.95%) reflects its investment in capital assets (e.g., land; buildings and improvements; office furniture, fixtures and equipment; vehicles, machinery and equipment (includes fire trucks)). Consequently, these assets are not available for future spending.

#### Condensed Statements of Net Position

|                                  | December 31,        |                     | Dollar            |
|----------------------------------|---------------------|---------------------|-------------------|
|                                  | 2017                | 2016                | Change            |
| Current and other assets         | \$ 2,847,928        | \$ 2,506,638        | \$ 341,290        |
| Capital assets                   | 2,941,733           | 3,148,474           | (206,741)         |
| Total assets                     | <u>5,789,661</u>    | <u>5,655,112</u>    | <u>134,549</u>    |
| Current and other liabilities    | 34,619              | 85,080              | (50,461)          |
| Long-term liabilities            | 2,351,638           | 2,520,430           | (168,792)         |
| Total liabilities                | <u>2,386,257</u>    | <u>2,605,510</u>    | <u>(219,253)</u>  |
| Deferred inflows of resources    | <u>1,324,801</u>    | <u>1,083,429</u>    | <u>241,372</u>    |
| Net Position:                    |                     |                     |                   |
| Net investment in capital assets | 601,733             | 628,044             | (26,311)          |
| Restricted                       | 312,666             | 323,359             | (10,693)          |
| Unrestricted                     | 1,164,204           | 1,014,770           | 149,434           |
| Total net position               | <u>\$ 2,078,603</u> | <u>\$ 1,966,173</u> | <u>\$ 112,430</u> |

### Governmental Activities

Governmental activities increased the District's net position by \$112,430. Key elements of this increase appear on the following page:

## Governmental Activities (Continued)

### Condensed Statement of Activities

|                                 | For the Year Ended  |                     | Dollar            | Total         |
|---------------------------------|---------------------|---------------------|-------------------|---------------|
|                                 | December 31,        |                     |                   |               |
|                                 | 2017                | 2016                | Change            | Percent       |
| <b>Revenues:</b>                |                     |                     |                   |               |
| Taxes                           | \$ 1,058,786        | \$ 978,871          | \$ 79,915         | 8.16%         |
| Intergovernmental               | 74,099              | 69,321              | 4,778             | 6.89%         |
| Miscellaneous                   | 6,500               | 9,339               | (2,839)           | -30.40%       |
| Total revenues                  | <u>1,139,385</u>    | <u>1,057,531</u>    | <u>81,854</u>     | <u>7.74%</u>  |
| <b>Expenses:</b>                |                     |                     |                   |               |
| General government              | 46,567              | 36,280              | 10,287            | 28.35%        |
| Public safety                   | 878,973             | 721,068             | 157,905           | 21.90%        |
| Debt service                    | 101,415             | 109,217             | (7,802)           | -7.14%        |
| Total expenses                  | <u>1,026,955</u>    | <u>866,565</u>      | <u>160,390</u>    | <u>18.51%</u> |
| Increase in net position        | 112,430             | 190,966             | (78,536)          | -41.13%       |
| Net position, beginning of year | <u>1,966,173</u>    | <u>1,775,207</u>    | <u>190,966</u>    | <u>10.76%</u> |
| Net position, end of year       | <u>\$ 2,078,603</u> | <u>\$ 1,966,173</u> | <u>\$ 112,430</u> | <u>5.72%</u>  |

In 2017, the District's ad valorem tax revenue increased due to increased millages and assessments within the District. Public safety expenses increased from increases in personal services, supplies and depreciation.

### 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 funds are 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 balances of \$1,521,749 which is an increase of \$148,566 in comparison with the prior year. An unassigned fund balance of \$1,175,842 is available for spending at the District's discretion. The remainder of fund balance is restricted for debt service to indicate that it is not available for new spending.

## Governmental Funds (Continued)

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the fund balance of the General Fund was \$1,175,842 which was unassigned. The fund balance of the District's General Fund increased by \$161,072 during the current fiscal year.

### General Fund Budgetary Highlights

The budget was amended twice 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

- Taxes decreased slightly to recognize anticipated declines in the collections of Ad valorem taxes.

#### Expenditures

- Personal services increased due to the hiring of a finance manager.
- Supplies and materials increased to more accurately reflect anticipated expenditures.
- Other services and charges, repairs and maintenance, and capital outlay decreased to more accurately reflect anticipated expenditures.

For the year, actual revenues and expenditures were less than budgeted amounts.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$2,941,733 (net of accumulated depreciation). This net investment in capital assets includes land, buildings and improvements, office furniture, fixtures and equipment; vehicles, machinery and equipment.

|  | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| Land   | \$ 230,000          | \$ 230,000          |
| Buildings and improvements                   | 1,811,914           | 1,811,914           |
| Office furniture, fixtures,<br>and equipment | 27,829              | 27,829              |
| Vehicles, machinery<br>and equipment         | <u>3,684,922</u>    | <u>3,695,030</u>    |
| Totals                                       | <u>\$ 5,754,665</u> | <u>\$ 5,764,773</u> |

## **Capital Assets (Continued)**

Major capital asset events during the current fiscal year included the following:

- Purchase of a John Deere Gator for \$16,300
- Purchase of a 60 kw generator for \$28,450

Additional information on the District's capital assets can be found in the Note 5, Exhibit F of this report.

## **Long-term Obligations**

As of December 31, 2017, the District had \$2,340,000 in general obligation bonds outstanding, a decrease of \$110,000 that represents the principal payment during 2017. The bonds are rated A-, with a stable outlook, by Standard and Poor's Rating Services. The District's financing lease of a pumper truck expired in 2017. Also, the District recognized \$11,638 compensated absences payable. More detailed information about the District's long-term obligations is presented in Note 7, 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.
- Operating expenditures are anticipated to rise with the rise in cost for almost all aspects of basic operations.
- Capital purchases budgeted include a Training Field account, upgrade equipment, and new pumper fire truck.

## **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 Schriever Fire Protection District, 1529 West Park Avenue, P.O. Box 83, Schriever, LA 70395.

**STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET****Schriever Fire Protection District**

December 31, 2017

|   | General<br>Fund     | Debt Service<br>Fund | Total               | Adjustments<br>(Exhibit B) | Statement of<br>Net Position |
|---|---------------------|----------------------|---------------------|----------------------------|------------------------------|
| <b>Assets</b>   |                     |                      |                     |                            |                              |
| Cash and cash equivalents                               | \$ 1,259,185        | \$ 162,175           | \$ 1,421,360        |                            | \$ 1,421,360                 |
| Investments   | -                   | 195,112              | 195,112             |                            | 195,112                      |
| Receivables - taxes                                     | 683,592             | 91,134               | 774,726             |                            | 774,726                      |
| Other receivables                                       | 3,291               | -                    | 3,291               |                            | 3,291                        |
| Due from other governments                              | 404,105             | 49,334               | 453,439             |                            | 453,439                      |
| Capital assets -  |                     |                      |                     |                            |                              |
| Non-depreciable   | -                   | -                    | -                   | \$ 230,000                 | 230,000                      |
| Depreciable, assets, net of<br>accumulated depreciation | -                   | -                    | -                   | 2,711,733                  | 2,711,733                    |
| Total assets  | <u>\$ 2,350,173</u> | <u>\$ 497,755</u>    | <u>\$ 2,847,928</u> | <u>2,941,733</u>           | <u>5,789,661</u>             |
| <b>Liabilities</b>                                      |                     |                      |                     |                            |                              |
| Accounts payables and<br>accrued expenditures           | \$ 1,378            | \$ -                 | \$ 1,378            | 33,241                     | 34,619                       |
| Long-term liabilities:                                  |                     |                      |                     |                            |                              |
| Due within one year                                     | -                   | -                    | -                   | 110,000                    | 110,000                      |
| Due after one year                                      | -                   | -                    | -                   | 2,241,638                  | 2,241,638                    |
| Total liabilities                                       | <u>1,378</u>        | <u>-</u>             | <u>1,378</u>        | <u>2,384,879</u>           | <u>2,386,257</u>             |
| Deferred inflows of resources                           |                     |                      |                     |                            |                              |
| Unavailable revenue                                     | <u>1,172,953</u>    | <u>151,848</u>       | <u>1,324,801</u>    | <u>-</u>                   | <u>1,324,801</u>             |
| <b>Fund Balances/Net Position</b>                       |                     |                      |                     |                            |                              |
| Fund balances:  |                     |                      |                     |                            |                              |
| Restricted  | -                   | 345,907              | 345,907             | (345,907)                  | -                            |
| Unassigned  | <u>1,175,842</u>    | <u>-</u>             | <u>1,175,842</u>    | <u>(1,175,842)</u>         | <u>-</u>                     |
| Total fund balances                                     | <u>1,175,842</u>    | <u>345,907</u>       | <u>1,521,749</u>    | <u>(1,521,749)</u>         | <u>-</u>                     |
| Total liabilities and<br>fund balances                  | <u>\$ 2,350,173</u> | <u>\$ 497,755</u>    | <u>\$ 2,847,928</u> |                            |                              |
| Net position:   |                     |                      |                     |                            |                              |
| Net investment in capital assets                        |                     |                      |                     | 601,733                    | 601,733                      |
| Restricted:   |                     |                      |                     |                            |                              |
| Debt service  |                     |                      |                     | 312,666                    | 312,666                      |
| Unrestricted  |                     |                      |                     | <u>1,164,204</u>           | <u>1,164,204</u>             |
| Total net position                                      |                     |                      |                     | <u>\$ 2,078,603</u>        | <u>\$ 2,078,603</u>          |

See notes to financial statements.

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

**Schriever Fire Protection District**

December 31, 2017

**Fund Balances - Governmental Fund** \$ 1,521,749

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.

|                               |                    |           |
|-------------------------------|--------------------|-----------|
| Capital assets                | \$ 5,754,665       |           |
| Less accumulated depreciation | <u>(2,812,932)</u> | 2,941,733 |

Long-term liabilities, including bonds payable, are  
not due and payable in the current period and,  
therefore, are not reported in the governmental funds.

|                          |                 |                    |
|--------------------------|-----------------|--------------------|
| Bonds payable            | \$ (2,340,000)  |                    |
| Accrued interest payable | (33,241)        |                    |
| Compensated absences     | <u>(11,638)</u> | <u>(2,384,879)</u> |

**Net Position of Governmental Activities** \$ 2,078,603

See notes to financial statements.

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

**Schriever Fire Protection District**

For the year ended December 31, 2017

|   | General<br>Fund     | Debt Service<br>Fund | Total               | Adjustments<br>(Exhibit D) | Statement of<br>Activities |
|---|---------------------|----------------------|---------------------|----------------------------|----------------------------|
| <b>Revenues</b>                             |                     |                      |                     |                            |                            |
| Taxes                                       | \$ 847,011          | \$ 211,775           | \$ 1,058,786        |                            | \$ 1,058,786               |
| Intergovernmental:                          |                     |                      |                     |                            |                            |
| State of Louisiana:                         |                     |                      |                     |                            |                            |
| State revenue sharing                       | 27,383              | -                    | 27,383              |                            | 27,383                     |
| Fire insurance tax                          | 46,716              | -                    | 46,716              |                            | 46,716                     |
| Miscellaneous                               |                     |                      |                     |                            |                            |
| Investment income (loss)                    | 7,965               | (4,485)              | 3,480               |                            | 3,480                      |
| Other                                       | 3,020               | -                    | 3,020               |                            | 3,020                      |
| Total revenues                              | <u>932,095</u>      | <u>207,290</u>       | <u>1,139,385</u>    |                            | <u>1,139,385</u>           |
| <b>Expenditures/Expenses</b>                |                     |                      |                     |                            |                            |
| Current:                                    |                     |                      |                     |                            |                            |
| General government:                         |                     |                      |                     |                            |                            |
| Ad valorem tax adjustment<br>and deductions | <u>37,252</u>       | <u>9,315</u>         | <u>46,567</u>       |                            | <u>46,567</u>              |
| Public safety:                              |                     |                      |                     |                            |                            |
| Personal Services                           | 136,306             | -                    | 136,306             | \$ 11,638                  | 147,944                    |
| Supplies and materials                      | 112,093             | -                    | 112,093             | -                          | 112,093                    |
| Other services and charges                  | 155,558             | -                    | 155,558             | 4,320                      | 159,878                    |
| Repairs and maintenance                     | 76,312              | -                    | 76,312              | -                          | 76,312                     |
| Depreciation                                | -                   | -                    | -                   | 382,746                    | 382,746                    |
| Total public safety                         | <u>480,269</u>      | <u>-</u>             | <u>480,269</u>      | <u>398,704</u>             | <u>878,973</u>             |
| Debt service:                               |                     |                      |                     |                            |                            |
| Principal retirement                        | 70,430              | 110,000              | 180,430             | (180,430)                  | -                          |
| Interest and fiscal charges                 | <u>2,747</u>        | <u>100,481</u>       | <u>103,228</u>      | <u>(1,813)</u>             | <u>101,415</u>             |
| Total debt service                          | <u>73,177</u>       | <u>210,481</u>       | <u>283,658</u>      | <u>(182,243)</u>           | <u>101,415</u>             |
| Capital outlay                              | <u>180,325</u>      | <u>-</u>             | <u>180,325</u>      | <u>(180,325)</u>           | <u>-</u>                   |
| Total expenditures/expenses                 | <u>771,023</u>      | <u>219,796</u>       | <u>990,819</u>      | <u>36,136</u>              | <u>1,026,955</u>           |
| <b>Net Change in Fund Balance</b>           | 161,072             | (12,506)             | 148,566             | (148,566)                  | -                          |
| <b>Change in Net Position</b>               | -                   | -                    | -                   | 112,430                    | 112,430                    |
| <b>Fund Balances/Net Position</b>           |                     |                      |                     |                            |                            |
| Beginning of year                           | <u>1,014,770</u>    | <u>358,413</u>       | <u>1,373,183</u>    | <u>592,990</u>             | <u>1,966,173</u>           |
| End of year                                 | <u>\$ 1,175,842</u> | <u>\$ 345,907</u>    | <u>\$ 1,521,749</u> | <u>\$ 556,854</u>          | <u>\$ 2,078,603</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**

**Schriever Fire Protection District**

For the year ended December 31, 2017

|  |                  |                                 |
|--|------------------|---------------------------------|
| <b>Net Change in Fund Balances - Governmental Funds</b>  |                  | <b>\$ 148,566</b>               |
| 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   | \$ 180,325       |                                 |
| Depreciation expense   | <u>(382,746)</u> |                                 |
| Excess of depreciation expense over capital outlay   |                  | (202,421)                       |
| The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins and impairments, increase net position.  |                  |                                 |
|  |                  | (4,320)                         |
| The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The transaction has no effect on net position.  |                  |                                 |
| Capital lease payments   | \$ 70,430        |                                 |
| Principal payments   | <u>110,000</u>   |                                 |
|  |                  | 180,430                         |
| 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.                          |                  |                                 |
| Increase in compensated absences   | (11,638)         |                                 |
| Decrease in accrued interest payable   | <u>1,813</u>     | <u>(9,825)</u>                  |
| <b>Change in Net Position of Governmental Activities</b>   |                  | <b><u><u>\$ 112,430</u></u></b> |

See notes to financial statements.

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

**Schriever Fire Protection District**

For the year ended December 31, 2017

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>Revenues</b>   |                         |                     |                           |   |
| Taxes   | \$ 867,500              | \$ 846,475          | \$ 847,011                | \$ 536  |
| Intergovernmental:  |                         |                     |                           |   |
| State of Louisiana:                                       |                         |                     |                           |   |
| State revenue sharing                                     | 26,000                  | 27,383              | 27,383                    | -   |
| Fire insurance tax  | 42,000                  | 46,716              | 46,716                    | -   |
| Miscellaneous   |                         |                     |                           |   |
| Interest  | 1,200                   | 7,000               | 7,965                     | 965   |
| Other   | -                       | 1,020               | 3,020                     | 2,000   |
| Total revenues  | <u>936,700</u>          | <u>928,594</u>      | <u>932,095</u>            | <u>3,501</u>  |
| <b>Expenditures</b>                                       |                         |                     |                           |   |
| Current:  |                         |                     |                           |   |
| General government:                                       |                         |                     |                           |   |
| Ad valoren tax adjustments and<br>deductions              | <u>26,000</u>           | <u>28,594</u>       | <u>37,252</u>             | <u>(8,658)</u>  |
| Public safety:  |                         |                     |                           |   |
| Personal services   | 128,000                 | 149,043             | 136,306                   | 12,737  |
| Supplies and materials                                    | 70,400                  | 116,880             | 112,093                   | 4,787   |
| Other services and charges                                | 167,650                 | 160,693             | 155,558                   | 5,135   |
| Repairs and maintenance                                   | <u>81,500</u>           | <u>81,000</u>       | <u>76,312</u>             | <u>4,688</u>  |
| Total public safety                                       | <u>447,550</u>          | <u>507,616</u>      | <u>480,269</u>            | <u>27,347</u>   |
| Debt Service  |                         |                     |                           |   |
| Principal retirement                                      | -                       | -                   | 70,430                    | (70,430)  |
| Interest and fiscal charges                               | <u>-</u>                | <u>-</u>            | <u>2,747</u>              | <u>(2,747)</u>  |
| Total debt service  | <u>-</u>                | <u>-</u>            | <u>73,177</u>             | <u>(73,177)</u>   |
| Capital outlay  | <u>492,000</u>          | <u>254,177</u>      | <u>180,325</u>            | <u>73,852</u>   |
| Total expenditures  | <u>965,550</u>          | <u>790,387</u>      | <u>771,023</u>            | <u>19,364</u>   |
| <b>Excess (Deficit) of Revenues Over<br/>Expenditures</b> | (28,850)                | 138,207             | 161,072                   | 22,865  |
| <b>Fund Balances</b>                                      |                         |                     |                           |   |
| Beginning of year   | <u>791,671</u>          | <u>1,014,770</u>    | <u>1,014,770</u>          | <u>-</u>  |
| End of year   | <u>\$ 762,821</u>       | <u>\$ 1,152,977</u> | <u>\$ 1,175,842</u>       | <u>\$ 22,865</u>  |

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Schriever Fire Protection District**

December 31, 2017

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

The accounting policies of Schriever Fire Protection District (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 and Amendment of GASB Statements 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.

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

**a) Reporting Entity (Continued)**

The District has reviewed its activities and determined there are no reportable component units as of December 31, 2017.

**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 funds 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, deferred inflows of resources, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund 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 financial resources that are restricted, committed or assigned to expenditure for principal, interest and related costs. The Debt Service Fund is reported as a major fund.

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

**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.

**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 unavailable revenue 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.

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

**c) Measurement Focus and Basis of Accounting (Continued)**

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 principal 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.

**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 budgeting laws, the District amended its budget once 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 accounting 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 uncollectible portion of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

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

**g) Investments**

Investments are stated at fair value as established by open market, except for the 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 assets to compute share prices if certain conditions are met.

Investments during the year consisted LAMP.

**h) 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.

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 \$1,000 or more and a useful life greater than one year are valued at historical cost or estimated historical cost if actual cost 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 is as follows:

|   |               |
|---|---------------|
| Buildings and improvements                | 20 - 40 years |
| Vehicles, machinery, and equipment        | 5 - 25 years  |
| Office furniture, fixtures, and equipment | 5 - 20 years  |

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

**h) Capital Assets (Continued)**

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.

**i) Compensated Absences**

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through cash payments conditioned on the employees' termination or retirement. The District has recorded liabilities for accumulated vacation and sick leave as of December 31, 2017.

In the government-wide financial statements the total compensated absences liability is recorded as an expense and long-term obligations. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, no compensated absences liability is recorded at December 31, 2017 in the governmental fund-type fund financial statements.

Employees of the District can earn 80 hours of vacation leave and personal leave. Accumulated vacation leave is due to the employee at the time of termination or death. The vacation policy provides that any unused annual leave in excess of 40 hours on the employee's anniversary date requires the approval of the Board Chairman. Personal leave does not accumulate.

Furthermore, District employees earn 48 hours sick leave per year. Employees are allowed to accumulate sick leave up to maximum of 240 hour.

**j) Long-term Obligations**

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

Government-wide Financial Statements:

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. Long-term obligations consists of general obligation bonds and compensated absences.

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

**j) Long-term Obligations (Continued)**

Fund Financial Statements:

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

**k) Deferred 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 so will not be recognized as an inflow of resources until that time. The governmental fund reports unavailable revenues from property taxes. 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.

**l) 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 net position - Consists of assets and deferred outflow of resources less liabilities and deferred inflows 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.

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

**D) Equity (Continued)**

- c. Unrestricted net position - 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 and for the year then ended, the District did not have or receive restricted resources.

Fund Financial Statements:

Governmental 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 non-spendable form or because they are legally or contractually required to maintain intact.
- 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. Commitment 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 only through a majority vote by the District's Board of Commissioners.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classifications are available. The District's fund balance was classified as restricted and unassigned as of December 31, 2017.

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

**m) 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 effect 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 the sole corporate member. This requirement enhances comparability and decision usefulness of financial statements among governments. This statement did not effect 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. This statement did not effect the District's financial statements.

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

**o) New GASB Statements (Continued)**

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 effect 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 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.

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

**o) New GASB Statements (Continued)**

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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

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.

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

**o) New GASB Statements (Continued)**

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 District has an arrangement with the Parish whereby the Parish invests on the District's behalf funds in excess of the District's operating needs. As of December 31, 2017 the Parish had invested \$1,599,789 for the District. This amount is reported as cash and cash equivalents, \$1,404,677, and \$195,112 as investments on the Statement of Net Position.

The year-end balances of deposits are as follows:

|      | <u>Bank<br/>Balance</u> | <u>Reported<br/>Amounts</u> |
|------|-------------------------|-----------------------------|
| Cash | <u>\$ 389,209</u>       | <u>\$ 389,209</u>           |

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, 2016, the District's bank balance of \$389,209 was collateralized along with the Parish's investments by securities held by a third party institution and pledged to the depositing financial institution but not in the District's name.

As of December 31, 2017, cash was adequately collateralized in accordance with the District's policy, similar to state law. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to draw down upon the pledged securities or sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Note 2 - DEPOSITS (Continued)**

**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 of December 31, 2017, the District had the following investments and maturities:

| Investment Type                        | Fair Value   | Maturities      |
|--|--------------|-----------------|
| Federal Home Loan Bank Notes           | \$ 195,112   | 5 years or more |
| Louisiana Asset Management Pool (LAMP) | 1,032,151    | 52 day average  |
| Total                                  | \$ 1,227,263 |                 |

Because LAMP as of December 31, 2017, had a weighted average maturity of 60 days or less, it was presented as an investment with a maturity of less than three months.

As described in Note 1 c) the District values its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of December 31, 2017:

Obligations of the U.S. Treasury, agencies, including Federal Home Loan Bank Notes, and instrumentalities are valued using quoted market prices (Level 1 inputs).

LAMP is a local government 2a7-like pool and permitted to be carried at amortized cost and therefore, is not subject to fair value measurements.

**Note 2 - DEPOSITS (Continued)**

**Investments: (Continued)**

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.

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 shall 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 investment, considering the probable safety of their capital as well as the probable income be derived. Primary emphasis shall be placed upon the safety of principal secondly to maintain liquidity to meet operating requirements and finally do 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 that risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its 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. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. 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 in accordance with LSA-R.S. 33:2955. 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 those 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 as amortized cost. The fair value of participants' 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 balances. Investments in LAMP as of December 31, 2017, amounted to \$1,032,151 and are classified on the Statement of Net Position as "Cash and cash equivalents".

**Note 2 - DEPOSITS (Continued)**

**Investments: (Continued)**

In accordance with GASB Statement No. 31, The District recognized the net decrease in the fair value of investments for the year ended December 31, 2017. The decrease in the fair value of investments takes into account all changes in fair value (including purchases and sales). For the year ended December 31, 2017, the District recognized a net decrease in the fair value of investments totaling \$4,888.

A reconciliation of deposits and investments as shown on the Statement of New Position for the District is as follows:

|                                |                     |
|--------------------------------|---------------------|
| Reported amount of deposits    | \$ 389,209          |
| Reported amount of investments | 1,227,263           |
|                                | <u>\$ 1,616,472</u> |
| <br>                           |                     |
| Cash and cash equivalents      | \$ 1,421,360        |
| Investments                    | 195,112             |
|                                | <u>\$ 1,616,472</u> |

**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 \$15.00 per \$1,000 of assessed valuation on property within Schriever Fire Protection District for the purpose of acquiring, constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for the fire protection purposes, including fire hydrant rentals and services and \$2.00 per \$1,000 of assessed valuation for the payment of principal and interest. As indicated in Note 1c, taxes levied November 1, 2017 are for budgeted expenditures in 2018 and will be recognized as revenues in 2018.

**Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units as of December 31, 2017 consisted of the following:

|   | Funds      |                 |            |
|---|------------|-----------------|------------|
|   | General    | Debt<br>Service | Total      |
| State of Louisiana -  |            |                 |            |
| State revenue sharing   | \$ 22,731  | \$ -            | \$ 22,731  |
| Terrebonne Parish Tax Collector -   |            |                 |            |
| December 31, 2016 collections<br>remitted to the District in<br>January 2017: |            |                 |            |
| Ad valorem taxes  | 370,009    | 49,334          | 419,343    |
| State revenue sharing   | 11,365     | -               | 11,365     |
| Total   | \$ 404,105 | \$ 49,334       | \$ 453,439 |

**Note 5 - CHANGES IN CAPITAL ASSETS**

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

|  | Balance<br>January 1,<br>2017 | Additions    | Adjustments<br>and<br>Deletions | Balance<br>December 31,<br>2017 |
|--|-------------------------------|--------------|---------------------------------|---------------------------------|
| Capital assets not being depreciated:          |                               |              |                                 |                                 |
| Land   | \$ 230,000                    | \$ -         | \$ -                            | \$ 230,000                      |
| Capital assets being depreciated:              |                               |              |                                 |                                 |
| Buildings and improvements                     | 1,811,914                     | -            | -                               | 1,811,914                       |
| Office furniture, fixtures and<br>equipment    | 27,829                        | -            | -                               | 27,829                          |
| Vehicles, machinery and<br>equipment           | 3,695,030                     | 180,325      | (190,433)                       | 3,684,922                       |
| Total capital assets being<br>depreciated      | 5,534,773                     | 180,325      | (190,433)                       | 5,524,665                       |
| Less accumulated depreciation for:             |                               |              |                                 |                                 |
| Buildings and improvements                     | (369,402)                     | (75,863)     | -                               | (445,265)                       |
| Office furniture, fixtures and<br>equipment    | (18,680)                      | (852)        | -                               | (19,532)                        |
| Vehicles, machinery and<br>equipment           | (2,228,217)                   | (306,031)    | 186,113                         | (2,348,135)                     |
| Total accumulated depreciation                 | (2,616,299)                   | (382,746)    | 186,113                         | (2,812,932)                     |
| Total capital assets being<br>depreciated, net | 2,918,474                     | (202,421)    | (4,320)                         | 2,711,733                       |
| Total capital assets, net                      | \$ 3,148,474                  | \$ (202,421) | \$ (4,320)                      | \$ 2,941,733                    |

During the year ended December 31, 2017, the District purchased various machinery and equipment.

**Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

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

|                                    | Funds    |              |           |
|------------------------------------|----------|--------------|-----------|
|                                    | General  | Debt Service | Total     |
| Government-wide                    |          |              |           |
| Vendors                            | \$ 1,378 |              | \$ 1,378  |
| Accrued interest on long-term debt | -        | \$ 33,241    | 33,241    |
| Totals                             | \$ 1,378 | \$ 33,241    | \$ 34,619 |

**Note 7 - LONG-TERM OBLIGATIONS**

As of December 31, 2017, the District had outstanding General Obligation Bonds Series 2011 totaling \$2,500,000 bearing an average interest rate of 4.25% over the remaining life of the bonds. The bonds are payable through March 1, 2031 primarily from ad valorem tax revenues.

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

|                             | Payable         | Obligations |              | Payable           |
|-----------------------------|-----------------|-------------|--------------|-------------------|
|                             | January 1, 2017 | Issued      | Retired      | December 31, 2017 |
| Compensated absences        | \$ -            | \$ 14,323   | \$ (2,685)   | \$ 11,638         |
| General Obligation Bonds    |                 |             |              |                   |
| Series 1997                 | 75,000          | -           | (75,000)     | -                 |
| Series 2011                 | 2,375,000       | -           | (35,000)     | 2,340,000         |
| Capital Lease               | 70,430          | -           | (70,430)     | -                 |
| Total long-term obligations | \$ 2,520,430    | \$ 14,323   | \$ (183,115) | \$ 2,351,638      |

**Note 7 - LONG-TERM OBLIGATIONS (Continued)**

The requirements to amortize general obligations outstanding as of December 31, 2017 are as follows:

| Year      | 2011 General Obligation Bonds |            |
|-----------|-------------------------------|------------|
|           | Principal                     | Interest   |
| 2018      | \$ 110,000                    | \$ 95,825  |
| 2019      | 115,000                       | 92,725     |
| 2020      | 125,000                       | 88,969     |
| 2021      | 130,000                       | 84,663     |
| 2022      | 140,000                       | 79,413     |
| 2023-2027 | 840,000                       | 294,494    |
| 2028-2031 | 880,000                       | 80,025     |
|           | \$ 2,340,000                  | \$ 816,114 |

**Note 8 - 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; natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

**Note 9 - COMPENSATION OF BOARD MEMBERS**

No compensation was paid to Board Members for the year ended December 31, 2017.

**Note 10 - STATE OF LOUISIANA TAX ABATEMENTS**

The District's ad valorem tax revenues were reduced by \$446,625 under agreements entered into with the State of Louisiana.

**Note 11 - SUBSEQUENT EVENTS**

Effective May 17, 2018, the District's Board adopted 52 week sick leave policy. 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 13, 2018, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

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

**Schriever Fire Protection District**

December 31, 2017

**Agency Head Name:** Kenneth Pitre

| <b>Purpose</b>                         | <b><u>Amount</u></b>    |
|--|-------------------------|
| Salary                                 | \$ 72,076               |
| Benefits - insurance                   | -                       |
| Benefits - retirement                  | -                       |
| Benefits - other                       | -                       |
| Car allowance                          | -                       |
| Vehicle provided by government         | -                       |
| Per diem                               | -                       |
| Reimbursements                         | -                       |
| Travel                                 | -                       |
| Registration fees                      | -                       |
| Conference travel                      | -                       |
| Continuing professional education fees | -                       |
| Housing                                | -                       |
| Unvouchered expenses                   | -                       |
| Meals                                  | -                       |
|  | <hr/>                   |
|  | <b><u>\$ 72,076</u></b> |

Note: Kenneth Pitre is the Fire District Administrator 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,  
Schriever Fire Protection District,  
Schriever, 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 Schriever Fire Protection District (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 13, 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 District'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 charges 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 weakness 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 13, 2018.

## SCHEDULE OF FINDINGS AND RESPONSES

### Schriever Fire Protection District

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

Schriever Fire Protection District did not expend federal awards in excess of \$750,000 during the year ended December 31, 2017 and therefore is exempt from the audit requirements under the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*.

#### 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**

### **Schriever Fire Protection District**

For the year ended December 31, 2017

#### **Section I Internal Control and Compliance Material to the Financial Statements**

##### Internal Control

No material weaknesses were reported 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.

##### Compliance

**2016-001 Recommendation-** We recommend that the District publish Board minutes for the months of January through December 2016 in the official journal (The Courier) and continue to publish minutes immediately after adoption by the Board.

**Management's Response-** Management published the minutes from 2016 in the official journal in 2017. **Resolved.**

#### **Section II Internal Control and Compliance Material to Federal Awards**

Schriever Fire Protection District did not expend federal awards in excess of \$750,000 during the year ended December 31, 2017 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section III Management Letter**

No Management Letter was issued during the audit for the year ended December 31, 2016.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **Schriever Fire Protection District**

For the year ended December 31, 2017

#### **Section I Internal Control and Compliance Material to the Financial Statements**

##### Internal Control

No material weaknesses were reported 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.

##### Compliance

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**

Schriever Fire Protection District did not expend federal awards in excess of \$750,000 during the year ended December 31, 2017 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

#### **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,  
Schriever Fire Protection District,  
Schriever, Louisiana.

We have performed the procedures described in Schedule 2, which were agreed to by the Schriever Fire Protection District (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 Board'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. 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 13, 2018.

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

**Schriever Fire Protection District**

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 address all the functions 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 did not address how vendors are added to the vendor list.  
Management's response: Management will consider adding how vendors are added to the vendor list to their existing purchasing policy.
  - c) Disbursements, including processing, reviewing, and approving  
Performance: Obtained and read the written policy for disbursements, and found it to contain the requirements included 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: The District does not have a receipts policy.  
Exceptions: The District does not have a receipts policy.  
Management's response: Management did not have a receipts policy because this was done through TPCG. The District will consider creating a receipts policy.
  
- 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 and personnel, and found it contained all listed requirements.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.
  
- 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 the types of services requiring written contracts.  
Management's response: Management will consider adding the types of services that require written contracts to their existing contracts policy.
  
- 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.  
Exceptions: There were 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 travel and expense reimbursement policy.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

**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 ethics policy.

Exceptions: The District's ethics policy does not address the actions to be taken if an ethic violation takes place. There is no system to monitor possible ethics violations. It is not mentioned that the employees have to have a signature verification that they have read the entity's ethics policy.

Management's response: Management will consider adding to the policy the actions to be taken if an ethics violation takes place. Management will also consider creating a system to monitor possible ethics violations, and require employees to sign verifying that they have read the entity's ethics policy.

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

Performance: Obtained and read the debt and debt service policy.

Exceptions: The District's debt service policy does not include EMMA reporting requirements, debt reserve requirements, and debt service requirements.

Management's response: Management will consider adding EMMA reporting requirements, debt reserve requirements, and debt service requirements to the existing 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 the board meetings.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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 monthly budget reports.

Exceptions: No exception noted.

Management's response: Not applicable.

**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: Inspected monthly meeting minutes and budget-to-actual comparisons.

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: Obtained monthly bank reconciliations for the District's account tested.

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; and

Performance: Inspected the District's documentation of each bank reconciliation. The Board Chairman initials bank statements as evidenced by initials. The Finance Manager prepares the bank reconciliations.

Exceptions: There is no documentation bank reconciliations are reviewed. The bank statements are reviewed and signed by the Board Chairman

Management's response: Management will consider adding written evidence of the individual who performs the bank reconciliations and the individual who reviews 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. There were none noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**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 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:

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

- 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.

Exceptions: The finance manager that receives checks at the fire department is not bonded. The employees at Terrebonne Parish Consolidated Government that receive checks, deposit checks, record transactions, and reconcile the bank account are 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 entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

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

Exceptions: In some instances the person that receives the mail also reconciles the related bank account.

Management's response: Management will consider adopting additional controls.

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

- 1) Using the District's 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, the test population was based across all revenue accounts, and all months throughout the year. A sample of 25 cash receipt transactions were selected.

Exceptions: There were four instances where checks were not deposited within one day.

Management's response: Management will begin to deposit checks within one day.

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

- 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 checks received by the District and the bank statements.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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: Inquired of management as to how receipts are determined to be complete. Ad valorem is compared to taxes levied. The board determines the selling price for fixed assets, and when the items are sold a check is given to the finance manager.

Exceptions: Not applicable

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):**

8. Obtain a listing of the District's disbursements from management or, alternately, obtain the general ledger and sort/filter for the District's 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 #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:

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

- 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 above \$2,800.00. Requested requisitions, purchase orders, and related invoices, as well as inquired of the client.

Exceptions: Purchase orders were missing for two transactions.

Management's response: Management will consider using a formal, written purchase order/requisition system for all transactions.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Performance: Inspected documentation and inquired of management as to purchase approval process.

Exceptions: The Operations Manager creates purchase orders and signs the purchase order. Therefore, there is no approval by a person who did not initiate the purchase. There were also instances where no purchase order was utilized, and therefore no approval of purchase orders by a person who did not initiate the purchase.

Management's response: Management will consider using a formal, written purchase order/requisition system.

- 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: Inspected documentation and inquired of management as to processing of payments.

Exceptions: Except for signatures on invoices, the District lacks documentation of receipt of goods and services.

Management's response: Management will consider using receiving reports, packing slips, and other documentation of receipt of goods or services.

10. Using the District's 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.

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

Performance: Inspected policy and documentation and inquired of management as to separation of duties. The Operations Manager and the Finance Manager are responsible for adding vendors to the accounting system, and are not responsible for processing payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

11. Using the District's 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 Operations Manager, who does not have signatory authority.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inquired of management for the supply of unused checks. The District does not have checks. The Terrebonne Parish Consolidated Government (TPCG) maintains and accounts for the District's general disbursement account. TPCG personnel with signatory authority do not have access to checks nor can they print checks.

Exceptions: No exception 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.

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

Performance: Inquired of management as to whether there is a signature stamp or machine. The District does not have checks; therefore they do not have a signature stamp or machine.

Exceptions: Not applicable.

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: Observed the listing of all active purchase accounts 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) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Obtained all monthly statements for the Visa First Bankcard.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Traced all credit card payments and balances on the credit card statements in order to note if any fees were applied to balances.

Exceptions: Late fee and interest was charged to the Visa card.

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

Management's response: TPCG was responsible for paying the District's bills. There were timing issues with getting the invoices to TPCG and when the bills were paid. Beginning in 2018, the District's Finance manager will be paying the bills.

16. Using the monthly statements or combined statements selected under #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: Inquired of management about original itemized receipts for transactions.

Exceptions: The District charges the District expenses and Schriever Volunteer Fire Department on the Visa. The District does not pay for the Schriever Volunteer Fire Department expenses. Itemized receipts were only provided for the District expenses.

Management's response: Management will consider using separate cards for the District and the Schriever Volunteer Fire Department.

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

Performance: Obtained April monthly statement for the Visa First Bankcard and observed supporting documentation. There were no meal charges for the month of April.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained April monthly statement for the Visa First Bankcard and observed for supporting documentation.

Exceptions: There were no purchase orders issued.

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

Management's response: Management will consider issuing purchase orders for all transactions.

- 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: Obtained April monthly statement for the Visa First Bankcard and observed for supporting documentation. There were no purchases subject to 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: Obtained April monthly statement for the Visa First Bankcard and observed for supporting documentation.

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 a list of all travel and related expense reimbursements.

Management's representation of the listing 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](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

Performance: Management's travel and expense policies reference the IRS guidelines which are the GSA rates.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the District does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Performance: Selected the three employees who incurred the most travel costs during the period to further select the highest travel expenditure reimbursed. Compared expense documents to the applicable rates.

Exceptions: Lodging cost exceeded GSA rates by approximately \$10.00.

Management's response: Management will consider complying to GSA rates.

- b) Report whether each expense is supported by:

- 1) An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Traced expense to the original itemized receipt. Business purpose was documented on the face of expense reimbursement.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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 were no exceptions noted.

Management's response: Not applicable.

- 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). 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 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 documentation of travel expenditures selected for proper approval.

Exceptions: No signatures of approval were on the travel expenses which need to be signed by either the District Board Chairman or the Finance Manager.

Management's response: The District Board Chairman or Finance Manager will document approval for all travel expenditures.

**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.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the auditor). 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 there were five contract "vendors" that were paid during the fiscal year. Inspected the written contracts that supports the service agreements.

Exceptions: The District only had one contract on file.

Management's response: Management will consider keeping all formal/written contracts on file.

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 Commission complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Performance: Not applicable.

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 contract and inquired of client as to receipt of any other quotes. Per contracting for services policy, the District obtains quotes for services costing between \$10,000 and \$30,000.

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

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 the contract and inquired of client about any amendments to contracts in the fiscal year.

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 invoice and compared to the written contract information.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy.

Performance: Inspected the board meeting minutes.

Exceptions: There is no evidence that the board approved the contract.

Management's response: Management will obtain board approval for contracts at the monthly board meetings.

**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. Randomly select five employees/officials, obtain their personnel files, and:

Performance: Observed 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.

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

- 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: Compared hourly rates and salaries to the employer's pay scale with payments made to employees during the fiscal year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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: Traced hourly rate changes during the period to the pay rate structure.

Pay rate structure increases are approved by the board as well as salary increases for salaried employees. The pay increase for the two part-time employees was approved in the January meeting minutes.

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:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Performance: Randomly selected one pay period to test leave taken during that period.

Inspected all daily attendance and leave records for proper documentation. During this period, one employee took leave.

Exceptions: There is no documentation that leave is approved. The only documentation of leave being taken is the time records for payroll. The Board Chairman signs the time records.

Management's response: Management will keep documented leave and obtain approval for leave.

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

- 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. Time sheets were reviewed and approved by the District Chairman.

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 that the District maintains written leave records for each employee eligible for paid leave.

Exceptions: The District does not keep records of leave taken or balances of leave available.

Management's response: Management will begin keeping an excel document of leave taken and balances of leave available.

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 and inspected list of employees that terminated during the period. Management's representation of completeness confirmed in a separate letter. There were no employees terminated during the period.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected payroll reporting forms, as well as cancelled checks to confirm that all payments were submitted to the applicable agencies by the required deadlines.

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

Exceptions: Payrolls disbursed in December were reported as January 2018 disbursements.

Management's response: Payroll will be reported in the period paid.

**Procedures performed on the District's ethics:**

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

Performance: Observed the ethics course completion certificates for the four 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 Commission'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 Commission approval was obtained.

Performance: No debt was issued during the fiscal period.

Exceptions: Not applicable.

Management's response: Not applicable.

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

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: Observed scheduled debt service payments.

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.

Performance: Compared bond related millage collections to debt service payments and noted a deficit of millage collections.

Exceptions: 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](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired and observed such notice posted on the premises

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Other procedures performed on the District: (Continued)**

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.