

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6

**COMPONENT UNIT OF THE
LAFOURCHE PARISH GOVERNMENT**

Thibodaux, Louisiana

Financial Statements with Supplemental Information

December 31, 2018



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LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Financial Statements
December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
Lafourche Parish Fire Protection District No. 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafourche Parish Fire Protection District No. 6 (the District) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Budgetary Comparison Schedule – General Fund* on pages 23, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other 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, the *Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officers*, on page 24 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The *Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officers* are 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 *Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officers*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 18, 2019, on our consideration of the department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the department's internal control over financial reporting and compliance.



Thibodaux, Louisiana

June 18, 2019

FINANCIAL STATEMENTS

Government-Wide
Financial Statements (GWFS)

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Statement of Net Position
December 31, 2018

Assets

Cash and cash equivalents	\$ 400,851
Receivables - ad valorem tax	371,215
Capital assets, not being depreciated	22,299
Capital assets, net of depreciation	913,682
Total assets	<u>\$ 1,708,047</u>

Liabilities

Accounts payable	\$ 112
Accrued interest payable	13,435
Long term liabilities due < 1 year	55,000
Long term liabilities due > 1 year	995,000
Total liabilities	<u>\$ 1,063,547</u>

Deferred inflows of resources

Ad valorem taxes revenue	<u>\$ 17,991</u>
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Net position

Invested in capital assets, net of related debt	\$ 935,980
Restricted for:	
Debt Service	431,403
Unrestricted	(740,874)
Total net position	<u>\$ 626,509</u>

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Statement of Activities

For the Year Ended December 31, 2018

<u>Functions/Programs</u>	<u>Program Revenues</u>			Net (Expense)
	<u>Charges</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue</u>
	<u>for</u>	<u>Grants &</u>	<u>Grants &</u>	<u>and Increase</u>
	<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>(Decrease) in</u>
	<u>Expenses</u>			<u>Net Position</u>
Governmental activities:				
Public safety - fire protection:				
St. John Volunteer Fire Dept	\$ 345,325	\$ -	\$ -	\$ 345,325
Depreciation	84,061	-	-	84,061
Election	17,031	-	-	17,031
Office expense	112	-	-	112
Publications	589	-	-	589
Professional fees	7,000	-	-	7,000
Interest expense	37,652	-	-	37,652
Total governmental activities:	\$ 491,770	\$ -	\$ -	\$ 491,770
General revenues:				
Ad valorem taxes			\$ 400,291	
Fire Insurance rebate			39,526	
Total general revenues			\$ 439,817	
Increase (decrease) in net position				(51,953)
Net position - beginning of the year				678,463
Net position - end of the year				\$ 626,509

The accompanying notes are an integral part of this statement.

Fund Financial Statements (FFS)

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Fund Balance Sheet - Governmental Funds

December 31, 2018

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 35,112	\$ 365,739	\$ 400,851
Receivables - ad valorem tax	301,644	69,572	371,216
Total assets	\$ 336,756	\$ 435,311	\$ 772,067
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 112	\$ -	\$ 112
Total liabilities	\$ 112	\$ -	\$ 112
 Deferred inflows of resources			
Ad valorem taxes	\$ 14,083	\$ 3,908	\$ 17,991
Total deferred inflows of resources	\$ 14,083	\$ 3,908	\$ 17,991
 Fund balances			
Committed for Debt Service		\$ 431,403	\$ 431,403
Unassigned	\$ 322,561	-	322,561
Total fund balances	\$ 322,561	\$ 431,403	\$ 753,964

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Ad valorem tax	\$ 323,712	\$ 76,579	\$ 400,291
Fire insurance rebate	39,526	-	39,526
Total revenues	<u>\$ 363,238</u>	<u>\$ 76,579</u>	<u>\$ 439,817</u>
EXPENDITURES			
Public safety - fire protection:			
Current:			
St. John Volunteer Fire Department	\$ 345,325	\$ -	\$ 345,325
Election	17,031	-	17,031
Office expense	112	-	112
Publications	589	-	589
Professional fees	7,000	-	7,000
Total current expenditures	<u>370,057</u>	<u>-</u>	<u>370,057</u>
Debt Service:			
Principal retirement	-	50,000	50,000
Interest and fiscal charges	-	37,118	37,118
Total debt service	<u>-</u>	<u>87,118</u>	<u>87,118</u>
Total expenditures	<u>\$ 370,057</u>	<u>\$ 87,118</u>	<u>\$ 457,174</u>
Excess of revenues over/(under) expenditures	(6,819)	(10,538)	(17,357)
Net increase (decrease) in fund balances	(6,819)	(10,538)	(17,357)
FUND BALANCE			
Beginning of year	\$ 329,380	\$ 441,942	\$ 771,321
End of year	<u>\$ 322,561</u>	<u>\$ 431,403</u>	<u>\$ 753,964</u>

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
December 31, 2018

Total Fund Balances - Governmental Funds	\$	753,964
Total net position reported for governmental activities in the statement of net positions is different because:		
Capital assets used in governmental activities are not current financial resources and therefore not reported in the Governmental Funds Balance Sheet, those assets consist of:		
Capital asset, not being depreciated	\$ 22,299	
Capital assets, net of \$803,418 accumulated depreciation	<u>913,682</u>	935,980
Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds:		
Accrued interest payable	(13,435)	
Certificate of Indebtedness	<u>(1,050,000)</u>	(1,063,435)
Total Net Position - Governmental activities	\$	<u><u>626,509</u></u>

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities**

For the year ended December 31, 2018

Total net changes in fund balances at December 31, 2018 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (17,357)
Amounts reported for governmental activities in the Statement of Activities are different because:	
<p style="margin-left: 40px;">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.</p>	
Depreciation expense for the current year	(84,061)
Debt principal retirement not considered an expense in the Statement of Activities	50,000
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on an accrual basis.	<u>(535)</u>
Change in Net Position - Governmental activities	<u><u>\$ (51,953)</u></u>

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2018

INTRODUCTION

The Lafourche Parish Fire Protection District No. 6, (the District) operates under the Lafourche Parish Council in compliance with the provisions of Article VI, Section 15 of the constitution of the State of Louisiana of 1974. The District was formed for the purpose of acquiring, constructing, maintaining, and operating fire protection facilities. The District is made up of a four-member board of Directors, appointed by the Lafourche Parish Council, governs the District. The District's finances are primarily ad valorem taxes on property located within the District's boundaries. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statutes of the State of Louisiana, including the right to incur debt, issue bonds, and levy taxes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting entity

As the governing authority of the parish, the Lafourche Parish Council is the financial reporting entity for Lafourche Parish. The financial reporting entity consists of (a) the primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Because the parish council appoints the governing board and because of the potential for the organization to impose specific financial burdens on the council, the district was determined to be a component unit of the Lafourche Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The Governmental Accounting Standards Board (GASB) statements provide guidelines in determining whether certain organizations are component units. An objective of Statement No. 14, The Financial Reporting Entity, is that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. Statement 39 amends Statement 14 to provide additional

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
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Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2018

guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based upon the nature and significance of their relationship with the primary government. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. Organizations that are legally separate, tax-exempt entities and that meet all of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.
2. The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an *individual organization* that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

Based on the previous criteria, the District has determined that it has no component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

Fund Financial Statements (FFS)

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

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2018

provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

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

The major funds of the District is described below:

Governmental Fund -

General Fund

The General Fund is the principal fund of the District and is used to account for the operations of the District's office. General revenues are accounted for in this fund. General operating expenditures are paid from this fund.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs associated with the financing for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including fire trucks, to be used in giving fire protection.

C. Measurement Focus / Basis of Accounting

Measurement Focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when

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Notes to the Financial Statements
December 31, 2018

the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements (FFS)

The amounts reflected in the Governmental Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District wide operations.

The amounts reflected in the Governmental Funds, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues –

Revenues are generally recognized when they become measurable and available as net current assets.

Expenditures –

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses) –

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Board.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
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Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2018

D. Budgets and Budgetary Accounting

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners is required to adopt a budget for the District's general fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund Budgetary Comparison Schedule is prepared on the cash basis of accounting, which is a non-GAAP basis of accounting. The difference between cash basis (non-GAAP) and accrual basis (GAAP) is the accounting for the Ad Valorem receivables and deferred inflows and outflows. This adjustment is necessary for comparison purposes.

E. Encumbrances

The district does not use encumbrance accounting.

F. Cash and cash equivalents

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

For the purposes of the Statement of Net Position, restricted cash is an amount received or earned by the District with an explicit understanding that the resource would be used for a specific purpose. At year end, the line item *Cash and cash equivalents* on the Statement of Net Position is comprised of restricted cash of \$365,739 and unrestricted cash of \$35,112. The District has presented restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations.

G. Inventories

Physical inventories consist of expendable supplies held for consumption. Because inventories are expended within one operating cycle they are recorded as expenditures when paid for and are not recorded as an inventory asset.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
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Notes to the Financial Statements
December 31, 2018

H. Capital assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net positions and Statement of Activities. Since surplus assets are disposed of or sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Life
Building & improvements	40
Fire Trucks & units	15
Equipment	5-10

In the fund financial statements, capital assets used in the department's operations are accounted for as capital outlay expenditures of the governmental fund that provided the resources to acquire the assets. Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

I. Long-Term Obligations

In the government-wide financial statements, debt and principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt and principal payments of governmental funds are recognized as expenditures when paid.

J. Equity Classifications

In the Government-Wide statements, equity is classified as Net Position and displayed in three components:

- a. Invested in capital assets — Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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- b. Restricted Net Position — Consists of Net Position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position — All other Net Position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

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

Explanations of the nature and purpose of the designations of the District's fund balances are as follows:

- a) General Fund – represents the primary operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.
- b) Debt Service Fund – represents assets reserved to fund the upcoming years' debt service obligations.

When an expenditure is incurred for the purposed for which both restricted and unrestricted fund balance is available, the Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned

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December 31, 2018

fund balances are available, the Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

K. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

L. Use of Estimates

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

M. Subsequent Events

The subsequent events of the organization were evaluated through the date of the financial statements were available to be issued (June 18, 2019).

NOTE 2. LEVIED TAXES

Ad valorem taxes are levied on the assessed value listed as of the prior January 1 for all real property, merchandise and moveable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax District at percentages of actual value as specified by Louisiana law. A reevaluation of all real property is required to be completed no less than every four years. Taxes are due and payable December 31st with interest being charged on payments after January 1st. 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 district is authorized levy a maximum of 16 mills for ad valorem tax. The tax rate for the year ended December 31, 2018, which is the 2018 tax roll, was 6.66 mills per \$1,000 of assessed valuation on property within the District's area for the purpose of maintaining and operating the District and 1.55 mills per \$1,000 for the purpose of payment of general long term debt principal, interest, and related costs for the District.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
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Notes to the Financial Statements
December 31, 2018

NOTE 3. CASH AND CASH EQUIVALENTS

At December 31, 2018, the District has cash (book balances) totaling \$400,851 as follows:

Cash & Equivalents	Cost	Fair Value	APY	Maturity	Credit Risk Category
Fire District #6:					
Checking - Operating	\$ 35,112	\$ 35,112	N/A	Demand	Category 1
Checking – Debt Service	<u>365,739</u>	<u>365,739</u>	N/A	Demand	Category 1
Total Cash	<u>\$ 400,851</u>	<u>\$ 400,851</u>			

These deposits are stated at cost, which approximate market. Under state law, this deposit (or resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

NOTE 4. CUSTODIAL CREDIT RISK

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

Deposit balances (bank balances) at December 31, 2018 in the amount of \$363,731 were secured with \$250,000 of federal deposit insurance and pledged securities of \$113,731, respectively. Deposits secured by pledged securities were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name (category 3 deposits). Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds on demand. The District does not have a policy for custodial credit risk.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2018

NOTE 5. CHANGES IN CAPITAL ASSETS

A summary of changes in general fixed assets follows:

	12/31/2017	Additions	Deletions	12/31/2018
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 22,299	\$ -	\$ -	\$ 22,299
Total non-depreciable capital assets	<u>22,299</u>	<u>-</u>	<u>-</u>	<u>22,299</u>
Capital assets being depreciated				
Buildings & improvements	369,534	-	-	369,534
Equipment	51,386	-	-	51,386
Fire vehicles & units	1,380,242	-	-	1,380,242
Total depreciable capital assets	<u>1,801,162</u>	<u>-</u>	<u>-</u>	<u>1,801,162</u>
Total capital assets	1,823,461	-	-	1,823,461
Less: accumulated depreciation				
Building & improvements	104,959	9,238	-	114,197
Equipment	17,604	4,884	-	22,488
Fire vehicles & units	680,856	69,939	-	750,795
Total accumulated depreciation	<u>803,419</u>	<u>84,061</u>	<u>-</u>	<u>887,480</u>
Governmental activities, capital assets, net of depreciation	<u>\$ 997,743</u>	<u>\$ (84,061)</u>	<u>\$ -</u>	<u>\$ 913,682</u>

NOTE 6. SHORT-TERM AND LONG-TERM OBLIGATIONS

During fiscal year ended December 2012, the Lafourche Parish Fire Protection District No. 6 passed a resolution to incur new debt of \$1,300,000 for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including fire trucks. The District received the proceeds of \$1,300,000 General Obligations Bonds, Series 2012. The current annual interest rate is 2%. During the year, the District paid \$37,118 in interest expense. Debt service required for the upcoming fiscal year is \$55,000 and \$35,999 principal and interest, respectively.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2018

The following is a summary of the transactions of the bonds payable during the year:

Governmental activities:	
General Obligation Bonds, Series 2012	
Long-term obligations payable at December 31, 2017	\$ 1,100,000
Additions	-
Reductions	<u>(50,000.00)</u>
Long-term obligations payable at December 31, 2018	<u>\$ 1,050,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the general revenues of the District. The amounts due on outstanding debt, including interest, are as follows:

Year Ending December 31,	Principal	Interest Rate	Interest	Total
2019	55,000	2.250%	35,999	90,999
2020	55,000	2.500%	34,693	89,693
2021	60,000	2.750%	33,180	93,180
2022	65,000	4.500%	30,893	95,893
2023	65,000	2.950%	28,471	93,471
2024-2027	295,000	3.100% - 3.500%	91,599	386,599
2028-2032	455,000	3.650% - 4.200%	47,195	502,195
	<u>\$1,050,000</u>		<u>\$302,029</u>	<u>\$1,352,029</u>

The following is a summary of the short-term portion of total bonds payable transactions during the year:

	12/31/2017	Increases	Decreases	12/31/2018
Long term liabilities due < 1 year	<u>\$ 50,000</u>	<u>\$ 55,000</u>	<u>\$ (50,000)</u>	<u>\$ 55,000</u>

NOTE 7. COMPENSATION OF BOARD MEMBERS

The District did not pay per diem or compensation to any of its board members during the year ended December 31, 2018.

NOTE 8. COOPERATIVE AGREEMENT

On January 1, 2011, Lafourche Parish Fire Protection District No. 6 contracted with St. John Volunteer Fire Department (Fire Department), a non-profit corporation, for the Fire

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2018

Department to coordinate and supervise firefighting and emergency service in that fire district in return for insurance rebates, revenue sharing funds, and a sum equal to 6.66 mills of assessed property taxes collected by the District. The District has the right to reserve up to \$5,000 annually, to be used to defray the District's expenses.

Under the term of the cooperative agreement, the Fire Department shall be responsible and shall obtain fire and windstorm protection insurance on all fire stations owned, operated, or controlled by the Fire Department or District at the Fire Department's expense. During the year, the District paid \$345,325 to St. John Volunteer Fire Department for fire protection service.

NOTE 9. RISK MANAGEMENT

The department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; illnesses or injuries to its volunteers; and natural disasters. The department has purchased commercial insurance to cover or reduce the risk of loss. No settlements were made during the current that exceeded the department's insurance coverage. St. John Volunteer Fire Dept. pays for the insurance on behalf of Lafourche Parish Fire Protection District No. 6.

NOTE 10. LITIGATION AND CLAIMS

At December 31, 2018, the District had no litigation or claims pending.

Required Supplemental Information

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Budget Comparison Schedule
General Fund - (Non-GAAP Basis)
For the Year ended December 31, 2018

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
Revenues:			
Ad valorem taxes	\$ 310,000	\$ 327,790	\$ 17,790
Fire insurance rebate	43,000	39,526	(3,474)
Refunds	-	500	500
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 353,000</u>	<u>\$ 367,816</u>	<u>\$ 14,816</u>
Expenditures:			
St. John Volunteer Fire Department	\$ 346,200	\$ 345,325	\$ 875
Election	1,500	17,031	(15,531)
Office expense	200	-	200
Publications	2,100	589	1,512
Professional fees	3,000	7,500	(4,500)
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 353,000</u>	<u>\$ 370,445</u>	<u>\$ (17,445)</u>
Excess (deficiency) of revenues over expenditures	-	(2,629)	(2,629)
Net increase (decrease) in fund balances	-	(2,629)	(2,629)
Fund balance, beginning	<u>not budgeted</u>	<u>\$ 329,380</u>	
Fund balance, ending	<u>not budgeted</u>	<u><u>\$ 326,751</u></u>	

Supplemental Information

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

For the Year Ended December 31, 2018

**Schedule of Compensation, Benefits and Other Payments to Agency Head or
Chief Executive Officer**

Agency Head Name: Board of Directors (Andrew Robertson - President)

No payments were made to the agency head during the year 2018.

Purpose	Amount
Salary	\$0
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses*	0
Special meals	0

Other Report Required by
Governmental Auditing Standards



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 Lafourche Parish Fire Protection District No. 6
Component Unit of Lafourche Parish Government
Thibodaux, Louisiana 70301**

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 the General Fund and Debt Service Fund of the Lafourche Parish Fire Protection District No. 6 (the District), a component unit of Lafourche Parish Consolidated Government, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 18, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did identify deficiencies in internal control that we consider to be material weaknesses, see findings (1218-02 and 1218-03). However, material weaknesses may exist that have not been identified.

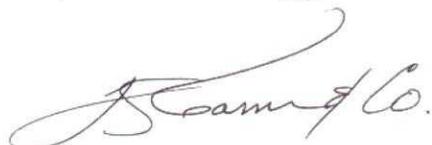
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct

and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* (1218-01).

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script, appearing to read "T. S. Kearns & Co.", is positioned above the typed name and date.

Thibodaux, Louisiana
June 18, 2019

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Prior Year Findings
December 31, 2018

Section I – Internal Control and Compliance Material to the Financial Statements:

Ref. No.

1217-01

Description of Finding

Noncompliance with state laws on Bond Millages.

During the course of the review, we discovered that the District's bond millage far exceeds the amounts necessary to fund current debt service on its general obligation bonds and its cash reserves equaled 2-3 years of debt service.

Article VI, Section 33 of the Louisiana Constitution states that the governmental agency should determine the amount of the debt service (principal and interest) required, determine the amount of assessed value to be taxed, and then set their millage rate at such a level as to meet the debt service requirements. Millages should not be set so high as to create excessive reserves.

Corrective Action Taken

The board acknowledged that current cash reserves in the debt service fund are enough to accommodate for the future debt service increases and has reduced the bond millage for the 2018 tax roll from 3.00 mills to 1.55 mills.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Prior Year Findings
December 31, 2018

Section I – Internal Control and Compliance Material to the Financial Statements
(continued):

Ref. No.

1217-02

Description of Finding

Inadequate Segregation of Duties – Internal Control Material Weakness

The size of the Lafourche Parish Fire Protection District No. 6's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

Corrective Action Taken

No action taken. This is a common deficiency noted in audits of small entities. The District's office does not employ enough people in its accounting department to adequately segregate duties such as approving purchase orders, approving invoices for payment, printing checks, recording checks, signing checks, mailing checks, and reconciling bank statements. This is one example of the circumstances that resulted in the reportable condition.

Therefore, this deficiency cannot be remedied in a cost effective manner.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Prior Year Findings
December 31, 2018

Section I – Internal Control and Compliance Material to the Financial Statements
(continued):

Ref. No.

1217-03

Description of Finding

Inadequate Controls over Financial Statement Preparation – Internal Control Material Weakness

A material weakness exists in financial reporting because the district does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Corrective Action Taken

No action taken. Management has evaluated the cost versus benefit of hiring a person who has the qualifications and training to apply generally accepted accounting principles in the preparation of financial statements. Management has determined that it is in the best interest of the district at this time, to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them. Management understands that it accepts final responsibility for the financial statements content and presentation.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Findings & Corrective Action Plan
December 31, 2018

Section I – Internal Control and Compliance Material to the Financial Statements:

Ref. No.

1218-01

Description of Finding

Noncompliance with state laws on Bond Millages.

During the course of the review, we discovered that the District's bond millage far exceeds the amounts necessary to fund current debt service on its general obligation bonds and its cash reserves equaled 2-3 years of debt service.

Article VI, Section 33 of the Louisiana Constitution states that the governmental agency should determine the amount of the debt service (principal and interest) required, determine the amount of assessed value to be taxed, and then set their millage rate at such a level as to meet the debt service requirements. Millages should not be set so high as to create excessive reserves.

Corrective Action Planned

The bond repayment schedule requires that the annual debt service increases over the life of the bond. The board was required to set the millages higher than needed in the beginning of the bond repayment schedule in order to accommodate the increased needs in the future without millage increases needed annually. The board acknowledges that current cash reserves in the debt service fund are enough to accommodate for the future debt service increases and has reduced the bond millage for the 2018 tax roll from 3.00 mills to 1.55 mills.

Name of Contact Person

Andrew Robertson, President

Anticipated Completion Date

May 31, 2018

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Findings & Corrective Action Plan
December 31, 2018

Section I – Internal Control and Compliance Material to the Financial Statements
(continued):

Ref. No.

1218-02

Description of Finding

Inadequate Segregation of Duties – Internal Control Material Weakness

The size of the Lafourche Parish Fire Protection District No. 6's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

Corrective Action Planned

This is a common deficiency noted in audits of small entities. The District's office does not employ enough people in its accounting department to adequately segregate duties such as approving purchase orders, approving invoices for payment, printing checks, recording checks, signing checks, mailing checks, and reconciling bank statements. This is one example of the circumstances that resulted in the reportable condition.

Therefore, this deficiency cannot be remedied in a cost effective manner.

Name of Contact Person

Andrew Robertson, President

Anticipated Completion Date

None

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Findings & Corrective Action Plan
December 31, 2018

Section I – Internal Control and Compliance Material to the Financial Statements
(continued):

Ref. No.

1218-03

Description of Finding

Inadequate Controls over Financial Statement Preparation – Internal Control Material Weakness

A material weakness exists in financial reporting because the district does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Corrective Action Plan

Management has evaluated the cost versus benefit of hiring a person who has the qualifications and training to apply generally accepted accounting principles in the preparation of financial statements. Management has determined that it is in the best interest of the district at this time, to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them. Management understands that it accepts final responsibility for the financial statements content and presentation.

Name of Contact Person

Andrew Robertson, President

Anticipated Completion Date

None

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6

**COMPONENT UNIT OF THE
LAFOURCHE PARISH GOVERNMENT**

Thibodaux, Louisiana

**Independent Accountant's Report on Applying
Statewide Agreed-Upon Procedures**

December 31, 2018



(A Professional Corporation)
164 West Main Street, Thibodaux, LA 70301
South end of Canal Boulevard
(985) 447-8507 Fax (985) 447-4833
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Lafourche Parish Fire Protection District No. 6
Component Unit of Lafourche Parish Government
Thibodaux, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Lafourche Parish Fire Protection District No. 6 (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws, regulations and best practices during the year ended December 31, 2018. The management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Exception noted. The District has no written policies and procedures which address the functions above.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Exception noted. There was no evidence of the date on which the bank reconciliations were prepared.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Exception noted. There was no evidence that the bank reconciliations has been reviewed by a board member not handling cash, posting to ledger, or issuing checks.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

There were no items outstanding for more than 12 months of the statement closing date.

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

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

Listing of disbursements and management's representation that the listing is complete was obtained.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

The District does not use a requisition/purchase order system. However, the board requires all checks must be signed by two board members who inspect the related invoice.

- b) At least two employees are involved in processing and approving payments to vendors.

No exception noted. Two board members are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Exception noted. The board member responsible for processing payments can add/modify vendor files. However, two board members are required to sign each check written.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Exception noted. The board member responsible for signing checks is also responsible for mailing the payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exception noted. All disbursements matched the related original invoice/billing statement.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exception noted. Invoices did not include evidence of segregation of duties.

Debt Service

11. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

There were no bonds/notes issued during the fiscal period.

12. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Exceptions noted. The District's millage collection did exceed debt service payments by more than 10%. The District has reduced the debt service millage for the upcoming year to comply with state law. No further exceptions.

Other

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

No exceptions. There were no misappropriations of public funds during the fiscal period.

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

Exception noted. The notice required by R.S. 24:523.1 was not posted on the entity's premises as of December 31, 2018. However, it was visibly posted on the entity's premises as of June 6, 2019.

Managements Response: The District's Board agrees with all exceptions and will continue to work to improve processes to ensure effective and efficient handling of all transactions.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed the additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Lafourche Parish Sheriff's and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute RV:513, this report is distributed by the Legislative Auditor as a public document.



Thibodaux, Louisiana
June 18, 2019