

**TANGIPAHOA PARISH FIRE PROTECTION  
DISTRICT NO. 1  
AMITE, LOUISIANA**

ANNUAL FINANCIAL STATEMENT  
AS OF AND FOR THE  
YEAR ENDED DECEMBER 31, 2017

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Annual Financial Statements

As of and for the Year Ended December 31, 2017  
With Supplementary Information Schedules

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# PEDELAHORE & CO., LLP

*Certified Public Accountants*

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AMERICAN INSTITUTE OF CPA'S  
SOCIETY OF LOUISIANA CPA'S

## Independent Auditor's Report

Mr. E. Ray Glasgow, Chairman, and  
Members of the Board of Commissioners  
Tangipahoa Parish Fire Protection District No. 1  
Amite, Louisiana

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

We have audited the accompanying financial statements of the governmental activities and the general fund of Tangipahoa Parish Fire Protection District No. 1, a component unit of the Tangipahoa Parish Council, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these 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 error or fraud. 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 opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of Tangipahoa Parish Fire Protection District No. 1, as of

December 31, 2017, 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 management’s discussion and analysis and budgetary comparison information on pages 4 through 9 and 33 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquires, 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*

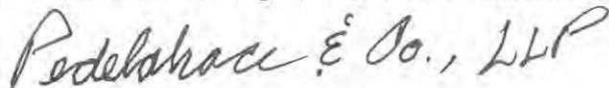
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fire District’s basic financial statements. The schedule of compensation paid board of commissioners – schedule 2, and the schedule of compensation, benefits, and other payments to agency head or chief executive officer – schedule 3, listed as other supplementary information in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Fire District.

The schedules 2 and 3 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules 2 and 3 are fairly stated in all material respects in relation to the financial statements as a whole.

The list of insurance policies in force marked “unaudited” has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2018, on our consideration of the Tangipahoa Parish Fire Protection District No. 1’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Fire District’s internal control over financial reporting and compliance.



June 30, 2018  
New Orleans, Louisiana

## **Management's Discussion and Analysis**

# Tangipahoa Parish Fire Protection District No. 1 Amite, Louisiana

## Management's Discussion and Analysis

December 31, 2017

As management of the Tangipahoa Parish Fire Protection District No. 1, Amite, Louisiana (the "Fire District"), we offer readers of the Fire District's financial statements this narrative overview and analysis of the financial activities of the Fire District for the fiscal year ended December 31, 2017. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the Fire District's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Fire District's finances. It is also intended to provide readers with an analysis of the Fire District's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Fire District. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Fire District's financial activity, identify changes in the Fire District's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Fire District's financial statements. The Fire District's basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements
4. Other Supplementary Information, which is in addition to the basic financial statements themselves.

#### 1. Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Position and Statement of Activities, seeking to give the user of the financial statements a broad overview of the Fire District's financial position and results of operations in a manner similar to a private-sector business.

- A. The *Statement of Net Position* presents information on all of the Fire District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is 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 Fire District is improving or weakening.
- B. The *Statement of Activities* presents information showing how the Fire District's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes or fees).

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Management's Discussion and Analysis

December 31, 2017

**Government-Wide Financial Analysis**

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Fire District's Net Position for the current year as compared to the prior year. For a more detailed analysis, see the Statement of Net Position on Statement A of this report.

	Government Activities		<u>\$ Change</u>	<u>% Change</u>
	2017	2016		
<b>Assets:</b>				
Current and Other Assets	\$ 2,606,288	\$ 2,069,306	\$ 536,982	25.95%
Capital Assets	2,423,009	2,542,403	(119,394)	-4.70%
Total Assets	<u>\$ 5,029,297</u>	<u>\$ 4,611,709</u>	<u>\$ 417,588</u>	9.05%
<b>Liabilities:</b>				
Current Liabilities	\$ 115,548	\$ 104,605	\$ 10,943	10.46%
Long-Term Liabilities	597,243	618,292	(21,049)	-3.40%
Total Liabilities	<u>\$ 712,791</u>	<u>\$ 722,897</u>	<u>\$ (10,106)</u>	-1.40%
<b>Net Position:</b>				
Net Investment in Capital Assets	\$ 1,815,068	\$ 1,924,111	\$ (109,043)	-5.67%
Restricted	35,776	35,776	-	0.00%
Unrestricted	2,465,662	1,928,925	536,737	27.83%
Total Net Position	<u>\$ 4,316,506</u>	<u>\$ 3,888,812</u>	<u>\$ 427,694</u>	11.00%

A portion of the Fire District's Net Position reflects its investment in capital assets (e.g., equipment, furniture, etc.), less any related debt used to acquire those assets that is still outstanding. The Fire District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

A portion of the Fire District's Net Position is restricted for debt service. The remaining balance of unrestricted Net Position (or \$2,465,662) may be used to meet the Fire District's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Fire District is able to report positive balances in both categories of Net Position. The same situation held true for the prior fiscal year.

To further understand what makes up the changes in Net Position, the following table provides a summary of the results of the Fire District's operating activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For a more detailed analysis, see the Statement of Activities on Statement B of this report.

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Management's Discussion and Analysis

December 31, 2017

	<u>Government Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues:				
Program Revenues:				
Capital Grants and Contributions	\$ 20,398	\$ -	\$ 20,398	0.00%
General Revenues:				
Ad Valorem Taxes	546,599	564,923	(18,324)	-3.24%
Sales Tax Revenue	1,032,321	952,058	80,263	8.43%
Other Revenues	<u>601,801</u>	<u>501,292</u>	<u>100,509</u>	20.05%
Total Revenues	<u>\$ 2,201,119</u>	<u>\$ 2,018,273</u>	<u>\$ 182,846</u>	9.06%
Expenses:				
Operations	\$ (1,582,900)	\$ (1,555,503)	\$ 27,397	1.76%
Debt Service-Interest	(25,309)	(25,719)	(410)	-1.59%
Depreciation	<u>(165,216)</u>	<u>(166,030)</u>	<u>(814)</u>	-0.49%
Total Expenses	<u>\$ (1,773,425)</u>	<u>\$ (1,747,252)</u>	<u>\$ 26,173</u>	1.50%
Changes in Net Position	\$ 427,694	\$ 271,021	\$ 156,673	-57.81%
Net Position, Beginning of Year	<u>\$ 3,888,812</u>	<u>\$ 3,617,791</u>	<u>\$ 271,021</u>	<u>7.49%</u>
Net Position, End of Year	<u>\$ 4,316,506</u>	<u>\$ 3,888,812</u>	<u>\$ 427,694</u>	11.00%

The Fire District's revenue from ad valorem taxes decreased by \$18,324 or 3.24%. Sales tax revenue increased by \$80,263 or 8.43%. Other revenues increased by \$100,509 or 20.05%.

Operations expenses increased largely due to an increase in salaries and related benefits, which increased by \$27,397 or 1.76%. This increase is due to changes in personnel.

Depreciation expense decreased by \$814 or .5 %.

**Governmental Activities**

The Governmental Activities of the District include General Government. Ad valorem taxes (25.34%) and sales taxes (47.95%) fund these governmental activities.

Here we show the Fire District's expenditures related to those functions typically associated with governments:

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Management's Discussion and Analysis

December 31, 2017

	Amount	Percentage
Public Safety - Fire	\$ 1,582,900	95.11%
Capital Outlay	45,823	2.75%
Debt Service	35,660	2.14%
Total Governmental Activities	\$ 1,664,383	100.00%

General revenues are those available for the Fire District to use to pay for the governmental activities described above. The following chart shows the Fire District's general revenues.

	Amount	Percentage
Ad Valorem Taxes	\$ 545,561	25.34%
State Revenue Sharing	25,149	1.17%
Fire Insurance Rebate	50,730	2.36%
Fire District No. 2	60,287	2.80%
Sales Tax Revenue	1,032,321	47.95%
State Supplemental Pay	101,539	4.71%
City Sales Tax Appropriation	305,000	14.17%
Other Revenues	32,392	1.50%
Total General Revenues	\$ 2,152,979	100.00%

Sales taxes are the largest source of revenue for the Fire District, comprising 47.95% of governmental revenue. Ad valorem taxes are another large source of revenue, comprising 25.34% of governmental revenue. For the year ended December 31, 2017, taxes of 15 mills were levied on property inside of the Fire District's limits. The Fire District's taxable assessed valuations decreased \$195,181 from \$38,516,563 to \$38,321,382.

**2. 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. The Fire District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Fire District consist of one category: governmental funds.

A. Governmental funds are used to account for most of the Fire District's basic services reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Fire District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Fire District's programs.

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Management's Discussion and Analysis

December 31, 2017

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 government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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. These reconciliations are located on pages 14 and 16.

The Fire District maintains one governmental fund, the General Fund. Information is presented for this fund on Statements C and E of this report.

*Financial Analysis of the Governmental Funds*

As of the end of the current fiscal year, the General Fund reported an ending fund balance of \$2,464,493.

The Fire District retains a reasonable surplus in the General Fund for unforeseen future emergencies such as natural disasters, decrease in economic conditions, emergency capital outlay requirements, and other similar conditions.

**3. Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on the pages indicated in the table of contents.

**4. Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found in Schedule 1 of this report.

A. Budgetary Comparison Schedule – The Fire District adopts an annual appropriated budget for the General Fund. Budgetary comparison statements have been provided for this fund to demonstrate compliance with this budget in Schedule 1.

B. Analysis of Significant Budget Variances in the Fire District's General Fund:

1. Revenues:

- a. The amount budgeted for ad valorem tax revenue was over-budgeted due to a decrease in collections during the fiscal period.
- b. The amount budgeted for sales tax revenue was under-budgeted. This was the result of an increase in sales tax collections as compared to the previous year.

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Management's Discussion and Analysis

December 31, 2017

2. Expenditures:

- a. Salaries and related benefits were over-budgeted due to changes in personnel, which reduced estimated salaries.

**Capital Assets**

The Fire District's net investment in capital assets for its governmental activities as of December 31, 2017 amounts to \$2,423,009 (net of accumulated depreciation). This investment in capital assets includes land, improvements, and equipment. The total decrease in the Fire District's investment in capital assets for 2017 was \$119,394 or 4.7%, mainly due to the acquisition of equipment and depreciation expense with corresponding dispositions of personal protective equipment and station furnishings.

Major capital additions during the current fiscal year include equipment purchased at a cost of \$45,823.

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

**Requests for Information**

This financial report is designed to provide a general overview of the Fire District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mrs. Agnes Prevost, Post Office Box 279, Amite, Louisiana, 70422.

## **Financial Statements**

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Statement A

Statement of Net Position

December 31, 2017

**Assets**

Cash and Cash Equivalents	\$ 1,820,378
Receivables:	
Ad Valorem Tax (Net of Allowances for Uncollectibles)	549,966
State Revenue Sharing	25,083
Tangipahoa Fire District No. 2	14,864
Sales Taxes	178,559
Prepaid Expense	17,438
Net Investment in Capital Assets	<u>2,423,009</u>
Total Assets	<u>5,029,297</u>

**Liabilities**

Accounts Payable	12,076
Accrued Interest Payable	11,474
Sheriff's Pension Fund Payable	21,700
Accounts Payable Payroll Liabilities	59,600
Long-term Liabilities - USDA Loan	
Due within one year	10,698
Due after one year	<u>597,243</u>
Total Liabilities	<u>712,791</u>

**Net Position**

Net Investment in Capital Assets	1,815,068
Restricted	35,776
Unrestricted	<u>2,465,662</u>
Total Net Position	<u>\$ 4,316,506</u>

The accompanying notes are an integral part of these statements.

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Statement B

Statement of Activities

For the Year Ended December 31, 2017

**Expenditures/Expenses**

Salaries and Related Benefits	\$ (1,216,546)
Salaries - Supplemental Pay	(101,539)
Compensation Paid Board Members	(1,350)
Sheriff's Pension Fund	(21,700)
Employee Medical and Training	(13,855)
Insurance	(62,132)
911 Dispatch	(17,664)
Operating Supplies	(57,225)
Professional Fees	(11,540)
Repairs and Maintenance	(36,607)
Telephone and Utilities	(34,260)
Other	(8,482)
Depreciation	(165,216)
Interest	(25,309)
<b>Total Expenditures</b>	<u>(1,773,425)</u>

**Program Revenues**

Grants and Contributions	<u>20,398</u>
<b>Net Program Revenues (Expenses)</b>	<u>(1,753,027)</u>

**General Revenues**

Ad Valorem Taxes	546,599
Sales Tax Revenue	1,032,321
State Revenue Sharing	25,083
City Sales Tax Appropriation	305,000
Fire Insurance Rebate	50,730
Fire District No. 2	60,287
State Supplemental Pay	101,539
Interest Income	26,770
Other Revenues	<u>32,392</u>
<b>Total General Revenues</b>	<u>2,180,721</u>

**Change In Net Position** 427,694

**Net Position**

Beginning of the year	<u>3,888,812</u>
End of the year	<u>\$ 4,316,506</u>

The accompanying notes are an integral part of these statements.

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Statement C

Balance Sheet – Governmental Fund

December 31, 2017

General Fund

**Assets**

Cash and cash equivalents	\$ 1,820,378
Receivables:	
Ad Valorem Tax (Net of Allowances for Uncollectibles)	549,966
State Revenue Sharing	25,083
Tangipahoa Fire District No. 2	14,864
Sales Taxes	178,559
Prepaid expenses	<u>17,438</u>
Total assets	<u>\$ 2,606,288</u>

**Liabilities**

Accounts payable	\$ 12,076
Accrued Interest Payable	11,474
Sheriff's Pension Fund Payable	21,700
Accounts Payable Payroll Liabilities	<u>59,600</u>
Total liabilities	<u>104,850</u>

**Deferred Inflows of Resources**

Deferred Ad Valorem Tax and Revenue Sharing	<u>36,945</u>
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**Fund Balance / Net Position**

Fund Balance	
Nonspendable - prepaid items	17,438
Restricted	35,776
Assigned	13,494
Unassigned	<u>2,397,785</u>
Total Fund Balance	<u>2,464,493</u>

Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 2,606,288</u>
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The accompanying notes are an integral part of these statements.

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Statement D

Reconciliation Of The Governmental Fund Balance Sheet  
To The Government-Wide Statement Of Net Position

December 31, 2017

Total Fund Balances, Governmental Fund \$ 2,464,493

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 funds. The assets consist of:

Governmental capital assets, net of accumulated depreciation 2,423,009

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

USDA Loan payable (607,941)

Deferred outflows and inflows are not financial  
resources or currently payable:

Deferred inflows 36,945

Total Net Position, Governmental Activities \$ 4,316,506

The accompanying notes are an integral part of these statements.

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Statement E

Statement Of Revenues, Expenditures, And Changes In Fund Balances  
 Governmental Fund

For the Year Ended December 31, 2017

	<u>General Fund</u>
<b>Revenues</b>	
Ad Valorem Taxes	\$ 545,561
Sales Tax Revenue	1,032,321
State Revenue Sharing	25,149
City Sales Tax Appropriation	305,000
Fire Insurance Rebate	50,730
Fire District No. 2	60,287
State Supplemental Pay	101,539
Interest Income	26,770
Grants and Contributions	20,398
Other Revenues	32,392
Total Revenues	2,200,147
<b>Expenditures</b>	
Salaries and Related Benefits	1,216,546
Salaries - Supplemental Pay	101,539
Compensation Paid Board Members	1,350
Sheriff's Pension Fund	21,700
Employee Medical and Training	13,855
Insurance	62,132
911 Dispatch	17,664
Operating Supplies	57,225
Professional Fees	11,540
Repairs and Maintenance	36,607
Telephone and Utilities	34,260
Other	8,482
Capital Outlay	45,823
Debt Service:	
Principal	10,351
Interest	25,309
Total Expenditures	1,664,383
<b>Excess Of Revenues Over Expenditures</b>	535,764
<b>Other Financing Sources (Uses)</b>	-
<b>Net Change In Fund Balance</b>	535,764
<b>Fund Balances At Beginning Of Year</b>	1,928,729
<b>Fund Balances At End Of Year</b>	\$ 2,464,493

The accompanying notes are an integral part of these statements.

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Statement F

Reconciliation Of The Statement Of Revenues, Expenditures,  
 And Changes In Fund Balances Of Governmental Fund  
 To The Statement of Activities

For the Year Ended December 31, 2017

Total Net Change In Fund Balances, Governmental Fund	\$	535,764
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:

Capital outlay	45,823	
Depreciation expense	<u>(165,216)</u>	<u>(119,393)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds, but rather are deferred to subsequent fiscal years.

Change in unavailable revenues related to receivables		<u>972</u>
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes current financial resources of governmental funds

Principal payments		<u>10,351</u>
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Change In Net Position, Governmental Activities	\$	<u>427,694</u>
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The accompanying notes are an integral part of these statements.

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

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# Tangipahoa Parish Fire Protection District No. 1 Amite, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

## Introduction

The Tangipahoa Parish Fire Protection District No. 1 (hereinafter referred to as the “Fire District”) was created by the Tangipahoa Parish Council as authorized by Act 194 of the 1942 Regular Session of the Louisiana Legislature. The Fire District was created for the purpose of acquiring, maintaining, and operating buildings, machinery, equipment, water tanks, water hydrants and waterlines, and other things necessary to provide proper fire prevention and control of the property within the Fire District. The boundaries of the Fire District encompass and provide fire protection to approximately 11,200 residents. The Fire District is governed by a board of commissioners consisting of five members who are resident taxpayers of the Fire District. These five commissioners are referred to as the Board of Commissioners. Two members are appointed by the Tangipahoa Parish Council and two members are appointed by the Town of Amite, the municipal corporation located within the Fire District. The fifth board member is selected by the other four board members and serves as chairman. The members serve terms of two years. Vacancies are filled by the bodies making the original appointments.

At the present time, the Fire District employs a total of twenty-one (21) employees to include a fire chief, secretary, and nineteen (19) firefighters. The Fire District maintains an office, two fire stations in Amite, Louisiana, and substations in Velma, Louisiana and Arcola, Louisiana.

## 1. Summary of Significant Accounting Policies

### A. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs.

### B. Financial Reporting Entity

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Tangipahoa Parish Council for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and

# Tangipahoa Parish Fire Protection District No. 1

## Amite, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

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

Because the parish council appoints two board members and has approval over their taxing authority, the Fire District was determined to be a component unit of the Tangipahoa Parish Council, the financial reporting entity. The accompanying financial statements present information only on the fund maintained by the Fire District and do not present information on the parish council, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

### C. Fund Accounting

The Fire District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Fire District are classified as follows:

#### *Governmental Fund*

General Fund – The General Fund is the general operating fund of the Fire District. It is used to account for all financial resources except those required to be accounted for in another fund.

#### *Fiduciary Fund Types*

Agency Fund – The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. Rather, this fund is used to account for assets held by the Fire District on behalf of those employees who participate in the Fire District's deferred compensation plan.

### D. Basis of Accounting

The amounts reflected in the Governmental Funds of Statements C and E, 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 Fire District operations.

# Tangipahoa Parish Fire Protection District No. 1 Amite, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

The amounts reflected in the Governmental Funds of Statements C and E 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). Measurement 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 Fire 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*

Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Sales taxes are recorded in the year in which they are assessed and become due and payable. Interest income represents amounts earned on checking accounts and certificates of deposit invested with financial institutions. Interest earned on checking accounts and certificates of deposit is recorded when earned. Contractual and similar revenue is recognized using modified accrual basis, and nearly all other revenues are recorded when received.

### *Expenditures*

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on long-term debt, which are not recognized until due.

## E. Government-Wide Financial Statements

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

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

Reconciliation:

The reconciliation of the items reflected in the fund financial statements to the Statement of Net Position (Statement A) and the Statement of Activities (Statement B) for the year ended December 31, 2017 is as follows:

Statement A	
Record Net Capital Assets	\$ 2,423,009
Long Term Debt	(607,941)
Deferred Inflows of Resources	36,945
Net Effect of Changes	\$ 1,852,013
Statement B	
Capitalization of Capital Assets	\$ 45,823
Record Principal Payments	10,351
Record Depreciation Expense on Capital Assets	(165,216)
Net Effect of Differences in Deferred Inflows of Resources	972
Net Effect of Changes	\$ (108,070)

F. Budgets

The Fire District uses the following budgetary practices in accordance with provisions of Louisiana R.S. 39:1301-1315:

1. The Fire District prepares a budget on the cash basis of accounting. The Fire District adopted a budget for the General Fund for 2017.
2. The Fire District's secretary and fire chief prepare the proposed budget and submit same to the chairman and board of commissioners no later than fifteen days prior to the beginning of each fiscal year. The proposed budget for 2017 was presented to the chairman and board of commissioners on November 10, 2016.
3. A summary of the proposed budget is published in the official journal and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. The proposed budget for 2017 was published in the official journal within the required time frame.
4. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. The public hearing on the proposed budget for 2017 was held on December 8, 2016.
5. After the holding of the public hearing and completion of all actions necessary to finalize and implement the budget, the budget was adopted. The proposed budget for 2017 was adopted on December 8, 2016.

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

6. Budgetary amendments require the approval of the chairman and board of commissioners. The budget for 2017 was not amended.
7. All budgetary appropriations lapse at year-end.
8. Formal budgetary integration is not employed; however, monthly budget comparisons are made as a part of interim reporting. Budgeted amounts included in the accompanying financial statements include the adopted budget amounts. The amounts are reconciled to the amounts reflected on the budget comparison statements as follows:

Excess (Deficiency) of Revenues over		
Expenditures (Statement E)	\$	535,764
Add: Prior Year Receivables		776,524
Current Year Payables		141,795
Prior Year Prepaid Expense		13,386
Less: Current Year Receivables		768,472
Current Year Prepaid Expense		17,438
Prior Year Payables		<u>140,577</u>
Excess (Deficiency) of Revenues over		
Expenditures (Schedule 1)	\$	<u>540,982</u>

G. Encumbrances

The Fire District does not utilize encumbrance accounting.

H. Deposits and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Fire District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Fire District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at original cost.

# Tangipahoa Parish Fire Protection District No. 1

## Amite, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

I. Inventories

The Fire District uses the purchase method for accounting for expendable supplies where expenditures are recognized when the items are purchased. The Fire District did not record any inventory at December 31, 2017.

J. Prepaid Expense

Prepaid balances are for payments made by the Fire District in the current year to receive services occurring in a subsequent fiscal year.

K. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets and depreciation are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are 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 Lives
Buildings	40
Communication and Electronic Equipment	10
Personal Protective Equipment	10 -12
Firefighting Vehicles	7 -25
Office & Station Furnishings and Miscellaneous	5 -20
Firefighting Equipment	10 -15
Rescue Equipment	10

L. Compensated Absences

The Fire District has the following policy relating to vacation and sick leave:

The Fire District's policy relating to vacation and sick leave is governed by Louisiana Fireman Civil Service Laws. After one year of continuous employment, each employee receives nine (9) shifts of paid vacation. This vacation period shall be increased one shift for each year of service over ten years, up to a maximum vacation period of fifteen (15) shifts, all of which shall be with full pay. Vacation leave must be taken when earned and cannot be accumulated past the employee's anniversary date. All firemen are entitled to sick leave for a period of not less than fifty-two weeks. Sick leave is forfeited at termination of employment.

# Tangipahoa Parish Fire Protection District No. 1 Amite, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the General Fund when leave is actually taken.

At December 31, 2017, the Fire District recorded no liability for accumulated vacation leave.

## M. Long-Term Obligations

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

## N. Fund Balance/Net Position

### *Fund Balance*

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable fund balances are associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority).
4. Assigned fund balances are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balances are the residual classification for the District's general fund and include all spendable amounts not contained in the other classifications.

The District's policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order, at the end of the fiscal year by adjusting journal entries.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

# Tangipahoa Parish Fire Protection District No. 1 Amite, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

## *Net Position*

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net position into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

1. Net Investment in Capital Assets Component of Net Position – The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources attributable to the unspent amount, that amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
2. Restricted Component of Net Position – The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
3. Unrestricted Component of Net Position – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

## O. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

## P. Sales and Use Taxes

In an election held July 19, 2003, the voters approved a one-half of one percent sales tax for providing a retirement system for the Fire District employees, hiring additional firefighters, and general operation of

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

the District. The Fire District, through its governing authority, adopted a resolution on August 14, 2003, authorizing the imposition of the tax effective October 1, 2003.

The sales tax is collected by the Tangipahoa Parish School Board and remitted to the Fire District in the month following the receipt by the School Board. The School Board receives the sales tax approximately one month after collection by vendors. Sales taxes collected by the School Board in January and February have been accrued and are included under the caption "Accounts Receivable."

**2. Levied Taxes**

The following is a summary of authorized and levied ad valorem taxes:

	<u>2017</u>
General Fund	15.00mils

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Fire District during the year and actually billed to taxpayers and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Tangipahoa Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Tax Assessor of Tangipahoa Parish. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2017, the Fire District levied 15 mills for a total tax levy of \$574,828 on taxable property valuation totaling \$38,321,382.

**3. Cash and Cash Equivalents**

At December 31, 2017, the Fire District had cash and cash equivalents (book balances) totaling \$1,820,378 as follows:

Demand Deposits	\$ 86,697
Money Market Accounts	<u>1,733,681</u>
Total	<u>\$ 1,820,378</u>

The bank 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 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. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties. At December 31, 2017, the Fire District had \$1,826,118 in bank deposits (collected bank balances).

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

These deposits are secured from risk as follows:

Bank Balances	<u>\$ 1,826,118</u>
Federal Deposit Insurance	250,000
Uncollateralized (Category 3)	
Pledged Securities	<u>2,500,000</u>
 Total	 <u>2,750,000</u>
 Excess (Deficit) of Pledged Securities	 <u>\$ 923,882</u>

**4. Receivables**

The following is a summary of receivables at December 31, 2017:

Ad Valorem Taxes	\$ 555,695
State Revenue Sharing	25,083
Tangipahoa Parish Fire District No. 2	14,864
Sales Tax	178,558
Less allowance for doubtful accounts	<u>(5,729)</u>
 Total	 <u>\$ 768,471</u>

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

**5. Capital Assets**

A summary of changes in capital assets for 2017 follows:

	Balance 12/31/16	Increases	Decreases	Balance 12/31/17
Capital Assets Not Depreciated:				
Land and Land Improvements	\$ 245,540	\$ -	\$ -	\$ 245,540
Total Capital Assets Not Being Depreciated	\$ 245,540	\$ -	\$ -	\$ 245,540
Other Capital Assets:				
Buildings	\$ 1,370,632	\$ -	\$ -	\$ 1,370,632
Equipment	3,111,994	45,823	81,583	3,076,234
Total Other Capital Assets	\$ 4,482,626	\$ 45,823	\$ 81,583	\$ 4,446,866
Less Accumulated Depreciation for:				
Buildings	\$ 393,737	\$ 34,270	\$ -	\$ 428,007
Equipment	1,792,026	130,946	81,582	1,841,390
Total Accumulated Depreciation	\$ 2,185,763	\$ 165,216	\$ 81,582	\$ 2,269,397
Other Capital Assets, Net	2,296,863	(119,393)	1	2,177,469
Totals	\$ 2,542,403	\$ (119,393)	\$ 1	\$ 2,423,009

**6. Deferred Compensation Plan**

The Fire District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Fire District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Small Business Job Protection Act of 1996 allows the deferral of taxes on state and local government deferred compensation plans provided the amounts are held in trust for the exclusive benefit of participating employees and are not accessible by the government or its creditors. Employees can direct their contributions into one or more investment options.

# Tangipahoa Parish Fire Protection District No. 1

## Amite, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

### 7. Employer Defined Contribution Pension Plan

The Fire District has established the “Tangipahoa Parish Fire Protection District No. 1 Money Purchase Plan,” a defined contribution plan. For each plan year, the Fire district may make a matching contribution equal to a percentage of the eligible participant’s elective deferrals that each such participant is making under the Tangipahoa Parish Fire District 1 457 Plan referred to in Note 6 above. For the year ended December 31, 2017, the District contributed 5% to each eligible employee’s account and made a matching contribution up to 5% of each participant’s elective deferral to the Tangipahoa Parish Fire District 1 457 Plan. An employee becomes an eligible participant under the plan after one year of service. The participant has a nonforfeitable (vested) right to his account of 50% after five years and 100% after 7 years of participation in the plan. Pension expense for the year ended December 31, 2017 was \$86,981, net of forfeitures in the amount of \$1,967.

### 8. Other Post Employment Benefits

The Fire District has no other post employment benefits.

### 9. Leases

The Fire District has no capital leases or operating leases at December 31, 2017.

### 10. Changes in Long-Term Obligations

The following is a summary of debt transactions for the Fire District for the year ended December 31, 2017:

	Note Payable Obligation	Total
Balance at January 1, 2017	\$ 618,292	\$ 618,292
Increase in Debt	-	-
Principal Payments	(10,351)	(10,351)
Balance at December 31, 2017	\$ 607,941	\$ 607,941

The Revenue Bonds payable consist of an issue financed by the U.S. Department of Agriculture to pay part of the cost of construction of the new fire station. The revenue bonds, dated August 2, 2007, for a total amount of \$688,000, will be due in annual installments of principal and interest, totaling \$35,776, payable for 40 years, with an interest at 4.125%, beginning August 2, 2008. Additionally, the Fire District maintains a separate account (Sinking Fund) at a local bank with a minimum balance at all times equal to the annual installment of principal and interest.

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Notes to the Financial Statements  
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Principal and interest requirements (presented separately) to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	10,698	25,078	35,776
2019	11,140	24,636	35,776
2020	11,599	24,177	35,776
2021	12,078	23,698	35,776
2022	12,576	23,200	35,776
2023-2027	71,102	107,778	178,880
2028-2032	87,028	91,852	178,880
2033-2037	106,521	72,359	178,880
2038-2042	130,380	48,500	178,880
2043-2047	154,819	19,298	174,117
	<u>\$ 607,941</u>	<u>\$ 460,576</u>	<u>\$ 1,068,517</u>

**11. Compensation Paid Board Members**

Louisiana Revised Statute 40:1498 provides that each member of the board of commissioners or the Fire District shall receive compensation in the amount of thirty dollars per meeting, not to exceed two meetings in any one calendar month. Compensation paid to individual board members is presented with the accompanying supplementary schedule.

**12. Local Service Agreements**

The Fire District has entered into a contractual agreement with the Tangipahoa Parish Rural Fire Protection District No. 2 whereby the Fire District shall provide fire protection and emergency medical services including but not limited to firefighting equipment, vehicles, supplies, and such employees as are available within the boundaries of the Tangipahoa Parish Rural Fire Protection District No. 2. In consideration for such service, the Wilmer Volunteer Fire Department, Inc. and the Loranger Volunteer Fire Department, Inc. each agree to pay full sum and amount of 1.25% of ad valorem funds to be split equally between the two departments for the services provided to the Fire District. This agreement is effective for the period January 1, 2017 through December 31, 2020.

The revenue from the above agreements is reported under "Fire District No. 2."

# Tangipahoa Parish Fire Protection District No. 1 Amite, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2017

### 13. Contract with Communication District Number One

In 2011, the Fire District entered into an intergovernmental agreement with Tangipahoa Communication District Number One (the Communication District) whereby the Communication District will answer all emergency 911 lines and radio dispatch for and on behalf of the Fire District. In consideration of this service, the Fire District shall pay for its share of certain costs and charges of the Communication District based on an allocable percentage of call volume of the Communication District. The term of the contract is on a month-to-month basis, at an annual cost to the Fire District of approximately \$17,700.

### 14. On-Behalf Payments for Salaries and Benefits

During 1997, the Fire District implemented GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. This standard requires the Fire District to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to certain groups of fire employees.

Supplementary salary payments are made by the state directly to certain groups of employees. The Fire District is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure (expense) payments is the actual contribution made by the state. For 2017, the state paid supplemental salaries to the following groups of employees of the Fire District.

On-behalf payments recorded as revenues and expenditures (expenses) in the 2017 financial statements are as follows:

General Fund:	
Fireman Supplemental Pay	<u>\$ 101,539</u>
Total On-Behalf Payments	<u>\$ 101,539</u>

The Fire District is required to pay from its own budget the payroll taxes and retirement contributions on these on-behalf payments.

### 15. Litigation and Claims

The Fire District is a defendant in a lawsuit, which is currently pending, and management persists in its vigorous defense of this claim. This case is still in the discovery stages and any possible liabilities or potential loss is undeterminable at this time.

### 16. Subsequent Events

Management has evaluated subsequent events through June 30, 2018, the date the financial statements were available to be issued.

## **Required Supplementary Information**

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Schedule 1

General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget (Non-GAAP Basis) and Actual

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 580,000	\$ 580,000	\$ 570,067	\$ (9,933)
Sales Tax Revenue	930,000	930,000	1,027,423	97,423
State Revenue Sharing	26,000	26,000	26,424	424
Fire Insurance Rebate	48,000	48,000	50,730	2,730
Fire District No. 2	65,000	65,000	48,423	(16,577)
State Supplemental Pay	114,000	114,000	101,539	(12,461)
Interest on Investments	16,000	16,000	26,770	10,770
City Sales Tax	305,000	305,000	305,000	-
Other Revenues	3,000	3,000	52,798	49,798
<b>Total Revenues</b>	<u>2,087,000</u>	<u>2,087,000</u>	<u>2,209,174</u>	<u>122,174</u>
<b>Expenditures:</b>				
Salaries and Related Benefits	1,465,000	1,465,000	1,206,693	258,307
Salaries - Supplemental Pay	114,000	114,000	101,539	12,461
Compensation Paid Board Members	1,950	1,950	1,350	600
Sheriff's Pension Fund	23,500	23,500	21,728	1,772
Employee Medical	2,500	2,500	1,845	655
Employee Training	20,000	20,000	11,566	8,434
Insurance	152,000	152,000	66,184	85,816
911 Dispatch	18,000	18,000	17,664	336
Operating Supplies	50,000	50,000	49,012	988
Professional Fees	16,000	16,000	11,540	4,460
Repairs and Maintenance	65,000	65,000	44,760	20,240
Telephone and Utilities	36,000	36,000	33,960	2,040
Other	20,000	20,000	18,752	1,248
Capital Outlay	50,000	50,000	45,823	4,177
Debt Service	35,776	35,776	35,776	-
<b>Total Expenditures</b>	<u>2,069,726</u>	<u>2,069,726</u>	<u>1,668,192</u>	<u>401,534</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	17,274	17,274	540,982	523,708
<b>Fund Balance - Beginning of the Year</b>	<u>1,068,667</u>	<u>1,068,667</u>	<u>1,279,396</u>	<u>210,729</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 1,085,941</u>	<u>\$ 1,085,941</u>	<u>\$ 1,820,378</u>	<u>\$ 734,437</u>

See auditor's report and accompanying notes.

## **Other Supplementary Information**

**Tangipahoa Parish Fire Protection District No. 1  
Amite, Louisiana**

Schedule 2

Supplemental Information

As of and for the Year Ended December 31, 2017

Schedule of Compensation Paid Board of Commissioners

The schedule of compensation paid to the Board of Commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation paid to the Board of Commissioners is included in the expenditures of the General Fund. In accordance with Louisiana Revised Statute 40:1498, board members are paid \$30 for attending meetings of the Board, not to exceed two meetings in any one calendar month.

	<u>Total</u> <u>Meetings</u>	<u>Meetings</u> <u>Present</u>	<u>Amount</u>
E Ray Glasgow PO Box 918 Amite, LA 70422 985-748-8191	12	9	\$ 270
Herbert Brumfield 505 Richardson Street Amite, LA 70422 985-517-0073	12	11	330
Gwynette Dixon 66273 Highway 51 Fluker, LA 70436 985-748-8448	12	8	240
Oliver Jackson, III P O Box 378 Independence LA 70443 985-543-4155	12	5	150
Robbie Lee PO Box 939 Amite, LA 70422 985-748-9000	12	12	<u>360</u> <u>\$ 1,350</u>

**Tangipahoa Parish Fire Protection District No. 1  
Amite, Louisiana**

Schedule 3

Supplemental Information

As of and for the Year Ended December 31, 2017

Schedule of Compensation, Benefits And Other Payments To Agency Head,  
Political Subdivision Head, Or Chief Executive Officer

The schedule of compensation, benefits and other payments to agency head, political subdivision head or chief executive officer is presented in compliance with Act 706 of the 2014 Session of the Louisiana Legislature.

Agency Head Name: Fire Chief Bruce Cutrer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 105,495
Benefits - health insurance	5,429
Benefits - retirement	10,550
Reimbursements-for conference travel	570

**Tangipahoa Parish Fire Protection District No. 1**  
**Amite, Louisiana**

Schedule 4

List of Insurance Policies in Force  
(Unaudited)  
December 31, 2017

Insurer/Policy No.	Coverage	Amount	Period
American Alternative Insurance Corporation VFIS-TR-2054758-10	Commercial Property:		6/28/17 -
	210 NE Central Avenue		6/28/18
	Amite, LA		
	Buildings	\$ 763,357	
	Personal property	173,640	
	200 Block NE Central Avenue		
	Amite, LA		
	Building	140,475	
	13201 Ballpark Road		
	Independence, LA		
Building	25,475		
104 Campo Lane			
Amite, LA			
Building	779,977		
Personal property	137,919		
	General Liability:		
	Including products/completed operations, personal and advertising injury		
	Each occurrence	1,000,000	
	General aggregate	2,000,000	
	Crime Coverages:		
	Employee Dishonesty (Each)	35,000	
American Alternative Insurance Corporation VFIS-CM-1052932-10	Commercial Automobile:		6/28/17 -
	Liability, including uninsured motorist	1,000,000	6/28/18
	Property - Scheduled	2,231,693	
Louisiana Workers' Compensation Corporation 3352-S	Workers' compensation insurance	Statutory Limits	11/5/17 - 11/5/18

**Other Independent Auditor's Reports and  
Findings and Recommendations**

**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***

# PEDELAHORE & CO., LLP

*Certified Public Accountants*

ROBERT J. MORA, CPA  
MARY H. VALIGOSKY, CPA  
MILTON B. CAVALIER, CPA  
JENNIFER L. DORAN, CPA

MEMBER  
AMERICAN INSTITUTE OF CPA'S  
SOCIETY OF LOUISIANA CPA'S

## 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*

Mr. E. Ray Glasgow, Chairman and  
Members of the Board of Commissioners  
Tangipahoa Parish Fire Protection District No. 1,  
Amite, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Tangipahoa Parish Fire Protection District No. 1, Amite, Louisiana, a component unit of the Tangipahoa Parish Council, as of for the year ended December 31, 2017, and related notes to the financial statements, which collectively comprise the Tangipahoa Parish Fire Protection District No. 1's basic financial statements, and have issued our report thereon dated June 30, 2018.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Tangipahoa Parish Fire Protection District No. 1's (the Fire 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 opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fire 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 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 charge with governance.

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

### **Compliance and Other Matters**

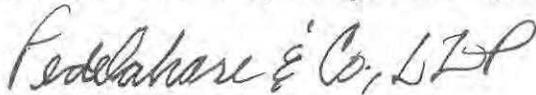
As part of obtaining reasonable assurance about whether the Tangipahoa Parish Fire Protection District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



June 30, 2018  
New Orleans, Louisiana

## **Findings and Recommendations**

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

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2017

**Section I – Summary of Auditor’s Results**

*Financial Statements*

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	___ X ___ no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ yes	___ X ___ none reported
Noncompliance material to financial statements noted?	_____ yes	___ X ___ no

*Federal Awards*

This section is not applicable for fiscal year ended December 31, 2017.

**Section II – Financial Statement Findings**

There are no financial statement findings.

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

Not applicable

**Section IV – Management Letter**

None issued

## **Summary Schedule of Prior Audit Findings**

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

Summary Schedule of Prior Year Audit Findings

For the Year Ended December 31, 2017

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Plan Corrective Action / Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
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**Internal Control Over Financial Reporting**

None

**Compliance and Other Matters**

None

**Management Letter Suggestions**

None

*Note: This schedule has been prepared by the management of the Tangipahoa Parish Fire Protection District No. 1.*

# PEDELAHORE & CO., LLP

*Certified Public Accountants*

ROBERT J. MORA, CPA  
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MEMBER  
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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Tangipahoa Parish Fire Protection District No. 1, and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

### *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.

Results of Procedures: The Fire District's office has written policies and procedures addressing budgeting, purchasing, disbursements, receipts, payroll/personnel, contracting, credit cards, travel and expense reimbursement and ethics. The purchasing procedures do not include mention of how vendors are added to the vendor list and the ethics policy does not include a requirement that all employees annually attest that they have read the ethics policy. No written policy addresses debt service.

Management's response: The District will include a written debt service policy that addresses the procedures that are currently being put into practice regarding approval, disclosure, debt reserve and service requirements. The District does not have an approved vendor list, however, the Board and Chief approve all major purchases, including vendors, before authorizing purchases. Further consideration will be given for the need to maintain an approved vendor list.

***Board or Finance Committee***

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Results of Procedures: We noted no exceptions or findings in performance of the above procedures.

### ***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);
  - 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
  - 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.

Results of Procedures: The District has one main operating account and there were no exceptions found to the procedures listed above. Also, the selected reconciliation had no reconciling items outstanding for more than 12 months from the statement closing date.

### ***Collections***

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

Results of Procedures: The District has only one deposit site and one collection location; all cash collections result from checks received via mail.

Due to limited personnel the Treasurer is responsible for collecting cash, preparing the deposit, reconciling cash collections, and reconciling cash. The Treasurer also posts the cash receipts/collections in the general ledger.

The District's policy does not require the use of any receipts other than the deposit slip itself, which is stamped or receipted upon deposit at the bank. There is no record of when a check is actually received in the mail; therefore we were unable to determine if the deposit was made within one business day.

Management's response: The District recognizes the conflicting duties performed by the Treasurer, and has established compensating controls – a detailed review of the monthly bank statement and bank reconciliation is performed by an employee not responsible for any cash collection or general ledger processes. The reviewer also agrees the reconciled cash balance to the general ledger cash account. The reviewer is very experienced and knowledgeable of the routine financial affairs of the District.

The deposit slip is generally prepared the day of receipt, or the next day, and deposit is made at the bank within 1 or 2 days of receipt via mail. For 2017, the District had actual deposits, on average, of approximately 1 check (deposit) per week from mail receipts. We feel the deposit frequency is adequate considering the nature of the collection and for the collection activity.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and 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).
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.
  - b) At least two employees 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.
  - 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.
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.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results of Procedures: We noted no exceptions to the above procedures except for the following – the District's policy does not prohibit the individual responsible for processing payments from adding/modifying vendor files.

Management's Response: The Board authorizes the District's major purchases including vendors before purchase authorization is made; however the District will take into consideration having another employee periodically review changes to the vendor file.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results of Procedures: The Fire District has only 2 credit cards; they are not carried by any person, are held in safekeeping by the Treasurer, and logged out and in upon use. The procedures resulted in no exceptions.

### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Procedures: We noted no exceptions to the above procedures except as follows – a receipt for a meals expense did not include the names of the individuals participating.

Management's Response: The Fire District's Policies and Procedures will be amended to include a requirement that reimbursements for meals must provide documentation of the individuals participating in the meals.

### ***Contracts***

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results of Procedures: Upon inquiry management indicated that there were no written contracts in place during the year for materials, supplies, leases, construction activities or for professional services (other than for audit services).

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

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that 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.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results of Procedures: We noted no exceptions to the above procedures except as follows – one selected employee's personnel file did not include documentation for the latest pay raise; the vacation portion of the leave records are handled by the shift captain and not in the main files; the termination payment for one former employee had vacation pay miscalculated.

Management's Response: The Fire District will review the personnel files to ensure complete records are included and will review and refine the procedures for coordinating and maintaining vacation leave records from the shift files to the main files.

### ***Ethics***

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results of Procedures: No written records were available to document the completion of ethics training during the fiscal period, or for attesting, by annual signature verification, that each employee read the entity's ethics policy.

Management's Response: The Fire District is currently maintaining a central file to document completion of the ethics training; the same or similar file will be used to document, by signature verification on an annual basis, having read the District's ethics policy.

***Debt Service***

21. 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.
22. 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.

Results of Procedures: We noted no exceptions or findings in performance of above procedures.

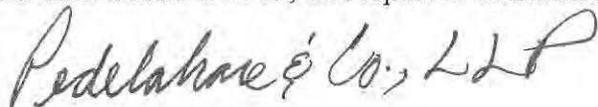
***Other***

23. 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.
24. 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.

Results of Procedures: Management indicated that there were no misappropriations of public funds during the year. We noted the "fraud" flyer posted on the Fire District's bulletin board; the District does not have a website.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



New Orleans, Louisiana  
June 30, 2018