

ST. LANDRY PARISH FIRE PROTECTION
DISTRICT NO. III

FINANCIAL REPORT

DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
St. Landry Parish Fire Protection District No. III
Opelousas, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of St. Landry Parish Fire Protection District No. III as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the St. Landry Parish Fire Protection District No. III, 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 budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The St. Landry Parish Fire Protection District No. III has not presented a management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Other Supplementary Information

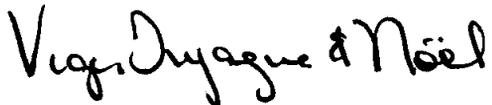
Our audit was conducted for the purpose of forming an opinion on the financial statements of the St. Landry Parish Fire Protection District No. III. The accompanying schedule of compensation, benefits, and other payments to agency head, as listed in the table of contents, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of compensation, benefits, and other payments to agency head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, 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 schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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



Vige, Tujague & Noël, CPA's
Eunice, Louisiana
May 18, 2018

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS
(GWFS)

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Statement of Net Position
December 31, 2017

ASSETS

Cash and equivalents	\$ 622,356
Investments, at cost	473,039
Receivables (net of allowance for uncollectibles):	
Ad valorem	2,906,745
State revenue sharing	176,831
Other	57
Accrued interest receivable	415
Prepaid items	8,289
Capital assets, net	1,061,393
Total assets	5,249,125

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	1,128,577
---------------------------------------	-----------

LIABILITIES

Current liabilities:	
Accounts payable	50,467
Accrued liabilities	10,383
Pension deduction payable	95,139
Total current liabilities	155,989
Noncurrent liabilities:	
Net pension liability	4,496,699
Total liabilities	4,652,688

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	521,616
--------------------------------------	---------

Net Position:

Investments in capital, net of related debt	1,061,393
Unrestricted	142,005
Total net position	\$ 1,203,398

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Statement of Activities

For the Year Ended December 31, 2017

Activities	Expenses	Program Revenues		Net (Expense)
		Fees, Fines, and Charges for Services	Capital and Operating Grants	Revenue and Changes in Net Assets
				Governmental Activities
Governmental activities:				
General government				
Public safety	\$ 3,980,337	\$ -	\$ -	\$ (3,980,337)
Total governmental activities	\$ 3,980,337	\$ -	\$ -	(3,980,337)

General revenues:

Taxes	
Ad valorem taxes	2,910,084
Intergovernmental revenues	
State revenue sharing	176,831
Fire insurance rebate	97,492
State supplemental pay	234,415
Interest and investment earnings	163,342
Nonemployer pension contributions	198,565
Net (decrease) in fair value of investments	779
Gain on sales of capital assets	5,000
Miscellaneous income	3,947
Total general revenues	<u>3,790,455</u>
Change in net position	(189,882)
Net position - December 31, 2016	<u>1,393,280</u>
Net position - December 31, 2017	<u>\$ 1,203,398</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Balance Sheet
 Governmental Fund
 December 31, 2017

ASSETS	<u>2017</u>
Cash	\$ 622,356
Investments	473,039
Receivables:	
Ad valorem	2,906,745
State revenue sharing	176,831
Other	57
Prepaid items	<u>8,289</u>
 Total assets	 <u><u>\$ 4,187,317</u></u>
 LIABILITIES AND FUND BALANCES	
Deferred inflows of resources:	
Unavailable revenues - property taxes	\$ 208,788
Total deferred inflows of resources	<u>208,788</u>
Liabilities:	
Accounts payable	50,467
Pension deduction payable	95,139
Accrued liabilities	<u>10,383</u>
 Total liabilities	 <u>155,989</u>
Fund balances:	
Fund balances - Unassigned	<u>3,822,540</u>
 Total fund balances	 <u>3,822,540</u>
 Total liabilities and fund balances	 <u><u>\$ 4,187,317</u></u>

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2017

Total fund balance for governmental funds at December 31, 2017		\$ 3,822,540
Total net position reported for governmental activities in the statement of net position is different because:		
The statement of net position reports receivables at their net value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.		
Property tax		208,788
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 42,681	
Building, net of \$675,018 accumulated depreciation	322,512	
Equipment, net of \$3,552,015 accumulated depreciation	696,200	1,061,393
Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds		
		(3,889,738)
Accrued interest receivable		415
Total net position of governmental activities at December 31, 2017		\$ 1,203,398

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Statement of Revenues, Expenditures,
and Changes in Fund Balance - Governmental Fund
Year Ended December 31, 2017

	2017
Revenues:	
Taxes:	
Ad valorem	\$ 2,935,903
Intergovernmental:	
State revenue sharing	176,831
Fire insurance rebate	97,492
State supplemental pay	234,415
Interest income	164,065
Net increase (decrease) in fair value of investments	779
Other	3,947
Total Revenues	3,613,432
Expenditures:	
Current:	
Public safety	3,217,480
Capital outlay	-
Total Expenditures	3,217,480
Excess (deficiency) of revenues over expenditures	395,952
Other financing sources (uses):	
Proceeds from sale of capital assets	5,000
Total other financing sources (uses)	5,000
Excess of revenues and other sources over expenditures and other uses	400,952
Fund balance, beginning	3,421,588
Fund balance, ending	\$ 3,822,540

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to
 the Statement of Activities
 For the Year Ended December 31, 2017

Total net changes in fund balance at December 31, 2017 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 400,952
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds defer revenues that do not provide current financial resources. However, the statement of activities recognizes such revenues at their net realizable value when earned, regardless of when received.		
Property tax		(25,819)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ -	
Depreciation expense for the year ended December 31, 2017	(341,118)	(341,118)
Net effect of pension liability recognition		(223,174)
Accrued interest receivable		(723)
Total changes in net position at December 31, 2017 per Statement of Activities		\$ (189,882)

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting and reporting practices of the St. Landry Parish Fire Protection District No. III conform to generally accepted accounting principles of the United States of America as applicable to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies:

Reporting entity:

The St. Landry Parish Fire Protection District No. III is a component unit of the St. Landry Parish Police Jury. The District was established to provide fire protection for the residents of the District.

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the St. Landry Parish Fire Protection District No. III, as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods and services offered by the programs, and (b) requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Fund Financial Statement:

The District uses one fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate.

The general fund, a governmental fund type, is the general operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds.

Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as described below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statements of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues,

ST. LANDRY FIRE PROTECTION DISTRICT NO. III

Note to Financial Statements

expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Fees and non tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Available means collectible within the current period or soon enough thereafter to pay current liabilities, usually 60 days. Those revenues susceptible to accrual are ad valorem and state revenue sharing income.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

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

Uncollectible ad valorem taxes are estimated based on prior year's history.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's revenues.

Allocation of indirect expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to these functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Use of estimates in the preparation of financial statements:

The preparation of financial statements in conformity with generally accepted principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Concentration of Risks

Concentration of risks with respect the District is subject to the conditions of the limited geographical area of the District.

Budgets:

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January 1, the Chairman submits to the Board a proposed operating budget for the ensuing year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through the passage of a resolution; amendments are also legally enacted through the passage of a resolution.
4. The budget for the general fund is adopted on a fund financial statement basis.
5. The budget for the general fund is employed as a management control device during the year.

All budget appropriations lapse at year end. Revenues may not legally fall short of budgeted amounts by more than five percent and expenditures may not legally exceed budgeted appropriations by more than five percent at the individual fund level. Actual expenditures did not exceed budgeted expenditures by greater than five percent for the year ended December 31, 2017. The District does not use encumbrance accounting.

The budget amounts disclosed in this report are as originally adopted and amended by the Board.

ST. LANDRY FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Cash and Cash Equivalents

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

Interest-bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

Compensated absences:

Employees of the District who have been employed for one year earn 18 days of vacation pay. After ten years of service, they earn one additional day of vacation pay for each year worked up to the maximum of 30 days. Neither vacation days nor sick leave can be carried over to future years; therefore, no accruals for compensated absences are necessary.

Prepaid Items:

Payments made for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items.

Allowances for Uncollectibles

All receivables that historically represent uncollectible accounts are shown net of an allowance for uncollectible. The allowance for uncollectible accounts in the general fund is estimated at \$50,872.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activity column in the government-wide financial statements. All purchased fixed assets are valued at cost or estimated historical cost. The amounts of estimated costs are immaterial to these financial statements. Donated fixed assets are stated at their fair market value on the date donated.

The District maintains a threshold level of \$500 or more for capitalizing capital assets.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Buildings	40 years
Equipment	5 years
Vehicles	7 years

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. There is currently no long-term debt owed by the District.

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

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the fire district's board – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the district's "intent" to be used for specific purposes but are neither restricted nor committed. The board and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed,

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

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

Revenues, Expenditures, and Expenses

Program Revenues

Program revenues consist of fees, fines, and charges for services related to governmental fund activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character

In the fund financial statements, governmental funds report expenditures of financial resources.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Note 2. Cash and Interest-Bearing Deposits

For reporting purposes, cash and investments include cash, demand deposits, time deposits, and government backed mortgage securities. The District may invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks having their principal office in the State of Louisiana, or any other federally insured investment. The District may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. At December 31, 2017 the District has cash and interest bearing deposits totaling \$622,356.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Under state law, these deposits in financial institutions must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must, at all times, be equal to the amount on deposit with the bank. At December 31, 2017, deposits in financial institutions were fully secured by federal deposit insurance and the market value of securities pledged in the District's name.

Deposit balances (bank balance) at December 31, 2017, are secured as follows:

	<u>Bank Balances</u>	<u>FDIC/SIPC</u>	<u>Pledged Securities</u>	<u>Excess/(Shortage)</u>
St. Landry Bank	\$ 680,379	\$ 250,000	\$ 1,996,826	\$ 1,566,447

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent had failed to pay deposited funds upon demand.

Note 3. Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District in May or June and are actually billed to the taxpayers in the latter part of the fiscal year. Billed taxes become delinquent on January 1 of the following year and January and February of the ensuing year. The following is a summary of the levied ad valorem taxes:

General corporate purpose:	
Operations and maintenance	<u>16.79</u>

All accounts and property tax receivables are shown net of any allowance for uncollectible accounts. Property taxes receivable for the governmental fund types, which have been remitted within 60 days subsequent to year-end, are considered measurable and available and recognized as revenues. All other property taxes are offset by deferred property tax inflows of resources and, accordingly, have not been recorded as revenue.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Note 4. Adoption of New Accounting Principles

For the year ended December 31, 2015, the following statements were implemented: GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68. These statements changed the accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. The following GASB statement was also effective but did not impact the financial statements of St. Landry Parish Fire Protection District No. III: GASB Statement 69, *Government Combinations and Disposals of Government Operations*.

Note 5. Evaluation of Subsequent Events

The District has evaluated subsequent events through May 18, 2018, the date which the financial statements were available to be issued.

Note 6. Receivables

Receivables at December 31, 2017, consist of the following:

	General Fund
Ad valorem	\$ 2,957,617
State revenue sharing	176,831
Other	57
Gross Receivables	<u>3,134,505</u>
Less: Allowance for uncollectibles	<u>(50,872)</u>
Net total receivables	<u>\$ 3,083,633</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Note 7. Capital Assets

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

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 42,681	\$ -	\$ -	\$ 42,681
Other capital assets:				
Buildings	1,023,230	-	-	1,023,230
Equipment	4,563,633	-	21,593	4,542,040
Totals	<u>5,629,544</u>	<u>-</u>	<u>21,593</u>	<u>5,607,951</u>
Less accumulated depreciation				
Buildings	675,018	25,700	-	700,718
Equipment	3,552,015	315,418	21,593	3,845,840
Total accumulated depreciation	<u>4,227,033</u>	<u>341,118</u>	<u>21,593</u>	<u>4,546,558</u>
Governmental activities, capital assets, net	<u>\$ 1,402,511</u>	<u>\$ (341,118)</u>	<u>\$ -</u>	<u>\$ 1,061,393</u>

Note 8. Pension Plan

Substantially all of the employees of the St. Landry Parish Fire Protection District No. III are members of the Firefighters Retirement System.

Firefighters' Retirement System

The Firefighters' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980, shall become a member as a condition of employment.

No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Retirement Benefits

Employees with 20 or more years of service who have attained age 50, or employees who have 12 annual years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement.

See R.S. 11:2256(A) for additional details on retirement benefits.

Disability Benefits

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

Death Benefits

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Deferred Retirement Option Plan

After completing 20 years of credible service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option Plan

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as a DROP account.

Cost of Living Adjustments (COLAs)

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase in the form of "X x (A+B)," where "X" is any amount up to \$1 per month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member or retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase.

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The District is required to contribute 25.25 percent from January through June and 26.50 percent from July through December, of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contribution to the System for the years ending December 31, 2017 and 2016 were \$439,798 and \$498,021, respectively, equal to the required contributions for the year.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809-1752, or by calling (225) 925-4060.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the District reported a liability of \$4,496,699 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the FRS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District's proportion was 0.784511%, which was an decrease of 0.055282% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$994,394 which includes employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$17,452.

Non-employer contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue. The District recognized \$198,565 of non-employer contribution revenue.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (250,767)
Changes in assumptions	188,076	(1,072)
Net difference between projected and actual earnings on pension plan investments	386,846	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	336,243	(269,777)
Employer contributions subsequent to measurement date	<u>217,412</u>	<u>-</u>
Total	<u>\$ 1,128,577</u>	<u>\$ (521,616)</u>

The District reported a total of \$217,412 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017, which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended June 30:	<u>FRS</u>
2018	218,233
2019	291,722
2020	124,582
2021	(175,634)
2022	(35,735)
2023	<u>(33,619)</u>
Total	<u>\$ 389,549</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

	FRS
Valuation date	June 30, 2017
Actuarial cost method	Entry age normal cost
Expected remaining service life	7 years, closed period
Investment rate of return	7.4% per annum
Inflation rate	2.775% per annum
Salary increases	Vary from 15.0% in the first two years of service to 4.75% after 25 years of service
Cost of living adjustments	Only those previously granted

The mortality rate assumption used was set based upon an experience study performed on plan date for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables.

The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected nominal rate of return was 8.34% as of June 30, 2016. Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2016, are summarized in the following table:

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

<u>Asset Class</u>	Long-Term Target Asset Allocation	<u>Rates of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Fixed Income	23%	2.04%	-
Equity	57%	6.81%	-
Alternatives	10%	6.67%	-
Other	10%	4.60%	-

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the District's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

FRS	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Rates	6.50%	7.50%	8.50%
NPL	\$ 6,461,582	\$ 4,496,699	\$ 2,844,932

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

The components of the net position liability of the System's employers as of December 31, 2016 and 2017, are as follows:

	2016 Plan A	2017 Plan A
Total Pension Liability	\$ 17,249,202	\$ 16,999,424
Plan Fiduciary Net Position	<u>(11,756,197)</u>	<u>(12,502,725)</u>
Total Net Pension Liability	<u>\$ 5,493,005</u>	<u>\$ 4,496,699</u>

Note 9. Contingent Liability

As of December 31, 2017, the District is not aware of any violation with respect to environmental issues, which may arise from holdings the District has in fixed assets.

Note 10. On-Behalf Payments of Salaries and Fringe Benefits

The State of Louisiana paid the District's firefighters supplemental pay of \$234,415. These amounts are included in the accompanying financial statements as revenues and expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Budgetary Basis) and Actual - General Fund
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes:				
Ad valorem	\$ 2,800,100	\$ 2,703,609	\$ 2,935,903	\$ 232,294
Intergovernmental	491,415	489,004	508,738	19,734
Interest income	500	5,400	164,065	158,665
Net increase (decrease) in fair value of investments	-	-	779	779
Other	600	160,000	3,947	(156,053)
Total revenues	<u>3,292,615</u>	<u>3,358,013</u>	<u>3,613,432</u>	<u>255,419</u>
Expenditures:				
Current:				
Public safety	3,787,635	3,222,338	3,217,480	4,858
Capital outlay	40,000	-	-	-
Total expenditures	<u>3,827,635</u>	<u>3,222,338</u>	<u>3,217,480</u>	<u>4,858</u>
Excess (deficiency) of revenues over expenditures	(535,020)	135,675	395,952	260,277
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	5,000	5,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Excess of revenues and other sources over expenditures and other uses	(535,020)	135,675	400,952	265,277
Fund balance, beginning	<u>5,856,256</u>	<u>5,856,256</u>	<u>3,421,588</u>	<u>2,434,668</u>
Fund balance, ending	<u>\$ 5,321,236</u>	<u>\$ 5,991,931</u>	<u>\$ 3,822,540</u>	<u>\$ 2,699,945</u>

See notes to required supplementary information.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
 Budgetary Comparison Schedule - General Fund
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Current:				
Public safety -				
Salaries and related benefits	\$ 2,713,115	\$ 2,352,965	\$ 2,337,313	\$ 15,652
Civil Service Board	2,500	2,500	2,480	20
Per diem	7,520	8,620	9,288	(668)
Telephone and utilities	56,000	47,700	48,280	(580)
Insurance	690,000	596,700	588,341	8,359
Uniforms and cleaning	5,000	1,800	1,650	150
Equipment maintenance and supplies	105,000	77,500	76,698	802
Building maintenance and supplies	20,000	10,500	10,435	65
Professional fees	25,200	24,800	39,218	(14,418)
Office supplies	8,500	4,100	4,272	(172)
Pension expense	90,000	88,768	94,209	(5,441)
Election expense	52,000	-	-	-
Other	12,800	6,385	5,296	1,089
Capital outlays	40,000	-	-	-
Total expenditures	<u>\$ 3,827,635</u>	<u>\$ 3,222,338</u>	<u>\$ 3,217,480</u>	<u>\$ 4,858</u>

See notes to required supplementary information.

ST. LANDRY FIRE PROTECTION DISTRICT NO. III

Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2017

	Fiscal Year	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of It's Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
FRS	2017	0.784511	\$ 4,496,699	\$ 1,701,159	264.33%	73.55%
FRS	2016	0.839793	\$ 5,493,005	\$ 1,897,458	289.49%	68.15%
FRS	2015	0.832434	\$ 4,492,740	\$ 1,888,151	237.94%	72.44%
FRS	2014	0.825201	\$ 3,672,073	\$ 1,644,495	223.29%	76.01%

This schedule will contain ten years of historical information once such information becomes available.

ST. LANDRY FIRE PROTECTION DISTRICT NO. III

Schedule of Employer's Pension Contribution
For the Year Ended December 31, 2017

	<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
FRS	2017	\$ 439,798	\$ 439,798	\$ -	\$ 101,159	25.85%
FRS	2016	\$ 498,021	\$ 498,021	\$ -	\$ 1,897,458	26.25%
FRS	2015	\$ 533,349	\$ 533,349	\$ -	\$ 1,888,151	28.25%
FRS	2014	\$ 472,860	\$ 472,860	\$ -	\$ 1,644,495	28.75%

This schedule will contain ten years of historical information once such information becomes available.

ST. LANDRY FIRE PROTECTION DISTRICT NO. III

Notes to Required Supplementary Information

(1) Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

(2) Budgetary Practices

The District prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The annual budget for the General Fund is prepared in accordance with the basis of accounting utilized by that fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

(3) Pension Plans

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plans.

VIGE, TUJAGUE  NOEL

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
St. Landry Parish Fire Protection District No. III
Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of St. Landry Parish Fire Protection District No. III, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise St. Landry Parish Fire Protection District No. III's basic financial statements, and have issued our report thereon dated May 18, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Landry Parish Fire Protection District No. III's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Landry Parish Fire Protection District No. III's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Landry Parish Fire Protection District No. III's internal control.

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

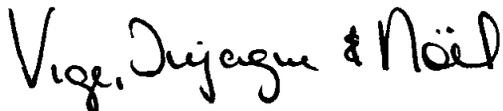
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 St. Landry Parish Fire Protection District No. III's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vige, Tujague & Noël, CPA's
Eunice, Louisiana
May 18, 2018

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Schedule of Findings and Responses
Year Ended December 31, 2017

We have audited the financial statements of St. Landry Parish Fire Protection District No. III as of and for the year ended December 31, 2017 and have issued our report dated May 18, 2018. 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. Our audit of the financial statements as of December 31, 2017 resulted in an unmodified opinion.

Section I Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes None reported

Compliance

Compliance Material to Financial Statements Yes No

No separate management letter was issued.

Section II Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2017.

Section III Internal Control and Compliance Material to Federal Awards

There were no federal awards for the year ended December 31, 2017.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Schedule of Prior Year Findings
Year Ended December 31, 2017

I Internal Control and Compliance Material to the Financial Statements

The prior year's report did not include any findings.

II Internal Control and Compliance Material to Federal Awards

The prior year's report did not include any federal awards.

III Management Letter

The prior year's report did not include a management letter.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Schedule of Per Diems
Year Ended December 31, 2017

	Per Diem	Mileage	Total
Armand Declouette	\$ 80	\$ 12	\$ 92
Greg Doucet	990	57	1,047
Charles Breaux	-	59	59
Richard Joubert	-	106	106
Frank Guidroz	1,310	-	1,310
Terri Courville	1,280	-	1,280
Jacob Melancon	-	19	19
Donald Robinson, Sr.	1,390	97	1,487
Pamela Jackson	1,040	49	1,089
Wilfred Kinnerson	1,310	179	1,489
Ryan E Chachere	1,310	-	1,310
Total	<u>\$ 8,710</u>	<u>\$ 578</u>	<u>\$ 9,288</u>

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The board members receive \$80 for each regular or special meeting they attend and \$30 for each committee meeting they attend.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
 Schedule of Compensation, Benefits and Other Payments to Agency Head
 Year Ended December 31, 2017

Agency Head Name: Ray Mendenhall, Chief
 Service Period: 6 months

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 53,419
State Supplemental Pay	3,300
Benefits - retirement	15,260
Benefits - health insurance	5,422
Total	<u>\$ 77,401</u>

Agency Head Name: Matthew Rabalais, Interim Chief
 Service Period: 6 months

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 66,210
State Supplemental Pay	6,000
Benefits - retirement	18,771
Benefits - health insurance	9,294
Total	<u>\$ 100,275</u>

ST. LANDRY PARISH FIRE PROTECTION
DISTRICT NO. III
STATEWIDE AGREED-UPON PROCEDURES REPORT
YEAR ENDED DECEMBER 31, 2017

VIGE, TUJAGUE NOEL

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management and Board of Commissioners of the St. Landry Parish Fire Protection District No. III and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by St. Landry Parish Fire Protection District No. III and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The St. Landry Parish Fire Protection District No. III'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 the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
The entity does not have written policies and procedures addressing budgeting.

- 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.

The entity does not have written policies and procedures addressing purchasing.

- c) **Disbursements**, including processing, reviewing, and approving

The entity does not have written policies and procedures addressing disbursements.

- d) **Receipts**, including receiving, recording, and preparing deposits

The entity does not have written policies and procedures addressing receipts of revenue.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The entity has written policies and procedures addressing payroll.

- 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

The entity does not have written policies and procedures addressing contracting.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

The entity does not have written policies and procedures addressing credit cards, debit cards or fuel cards.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

The entity does not have written policies and procedures addressing travel and expense reimbursement.

- 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.

The entity has written policies and procedures addressing ethics.

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

The entity does not have written policies and procedures addressing debt service.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes included monthly budget-to-actual comparisons.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

There was no deficit spending noted.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Obtained and reviewed the minutes of the managing board for the fiscal period noting that non-budgetary financial information was referenced.

Bank Reconciliations

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

Obtained a listing of cash collection locations and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

The bank reconciliations prepared for all accounts examined did not have evidence of management review; however, reconciliations are prepared by a fee accountant.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Obtained bank statements and reconciliations for all months in the fiscal period and noted that there is no documentation reflecting the research of reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Collections

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

Obtained a listing of cash collection locations and management's representation that the listing is complete.

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Written documentation was obtained and addresses the functions noted above; however, the person responsible for collecting cash is also responsible for depositing the cash. The fee accountant records the related transactions and prepares all monthly bank reconciliations.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Written documentation was obtained and addresses the functions noted above. All revenue receipts are in the form of a check and deposited by the person collecting the revenue. A fee accountant records the transactions and prepares the monthly bank reconciliations.

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

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Collection documentation was obtained and deposits are not made within one day of collection. We were unable to determine the number of days from receipt to deposit. All revenue receipts are in the form of a check. The chief collects all checks and usually makes one deposit at the end of the month.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Daily cash collections are completely supported by collection documentation.

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

The entity does not have written policies and procedures addressing completeness of all collections; however, all revenue receipts are in the form of a check and the fee accountant prepares all monthly bank reconciliations. Receipts are matched to the ad valorem reports that accompany the check.

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

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

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

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation

(e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Examined supporting documentation for each of the 25 disbursements selected and found that purchases were initiated using a purchase order system for nonroutine expenses; however, the initiation and approval functions are not always separate.

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

Examined supporting documentation for each of the 25 disbursements selected and found that purchases are not always initiated using a requisition or purchase order system and some purchase orders are requested and approved by the same person. However, all invoices are approved by the board at the monthly meeting.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Examined supporting documentation for each of the 25 disbursements and found all payments processed included an invoice/receiving report with proper approval by the board at the monthly meeting.

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

The entity does not have written policies and procedures addressing the functions noted above. The person responsible for processing payments can also add vendors; however, all checks must be signed by at least one board member.

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

The entity does not have written policies and procedures addressing the functions noted above. The persons with signatory authority do not have responsibility for initiating purchases; however, one signer records purchases.

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

The supply of unused checks is maintained in a locked location and two signatures are required on each check; however, one of the persons with signatory authority is also responsible for recording and printing the checks.

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

No signature stamp or signature machine is utilized.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Listing of all active credit cards was obtained from management and management's representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

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

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

There is evidence that the monthly statement and supporting documentation was reviewed and approved by someone other than the authorized card holder.

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

There were no finance charges or late fees assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement

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

Obtained a listing of all travel and related expense reimbursements from management and their representation that the listing is complete.

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

The entity has no written policies related to travel and expense reimbursements. The entity uses the GSA rates.

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

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

No exceptions noted.

- b) Report whether each expense is supported by:

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

Not applicable.

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

No exceptions noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Not applicable.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

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

Obtained management's representation that there were no contracts in effect during the fiscal year.

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

a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Not applicable.

b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

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

Not applicable.

➤ If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Not applicable.

c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Not applicable.

d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Not applicable.

e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Not applicable.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Changes made to hourly pay rates/salaries during the fiscal period were approved in writing and in accordance with written policy.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (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.)

No exceptions noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

No exceptions noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions noted.

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

Obtained a list of those employees terminated during the fiscal year and management's representation that the listing is complete. Termination payments were made in accordance with policy and approved by management.

- 25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the

employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions noted.

Ethics (excluding nonprofits)

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

*Ethics compliance documentation was maintained by the entity on those employees selected.
No exceptions noted.*

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

Management asserted that they have received no allegations during the fiscal year.

Debt Service (excluding nonprofits)

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

There was no debt issued during the fiscal period.

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

Not applicable.

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

Not applicable.

Other

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

Management has asserted that the entity did not have any misappropriation of public funds or assets.

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

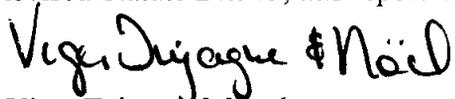
Required notice was posted on the entity's premises.

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

No exceptions noted.

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.



Vige, Tujague & Noel

Eunice, Louisiana

May 18, 2018

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Management's Response to Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2017

Management Response to Item:

1a, 1b, 1c, 1d, 1f, 1g,
1h, 1j

The entity will compile a cumulative collection of policies and procedures to be adopted at a board meeting.

4b, 4c

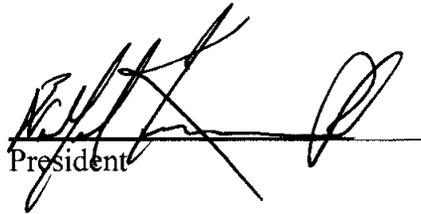
A member of the board will initial the reconciliations to provide evidence of review. The fee accountant will document research of reconciling items that have been outstanding for more than 6 months.

6a, 6b, 9a, 9b 10, 11,
12

Efforts will be made to segregate duties in these areas as much as possible with the limited number of employees involved.

6c

The entities primary source of revenue is ad valorem collections received in the form of a check from the Sheriff Department. Due to the limited number of employees involved in this process it is not feasible for the entity to make deposits on a daily basis.


President