

**PARISHWIDE FIRE PROTECTION DISTRICT
EAST FELICIANA PARISH
STATE OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION**

JUNE 30, 2017

Minda B. Raybourn
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Parishwide Fire Protection District of East Feliciana Parish
Annual Financial Statements
AS of and for the Year Ended June 30, 2017
With Supplemental Information Schedules
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Commissioners
Parish-Wide Fire Protection District of
East Feliciana Parish, Louisiana
P O Box 8826
Clinton, LA 70722

I have audited the accompanying financial statements of the governmental-type activities of the Parish-Wide Fire Protection District of East Feliciana Parish, a component unit of the East Feliciana Parish Policy Jury, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental-type activities of the Parish-Wide Fire Protection District of East Feliciana Parish, as of June 30, 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

Adjustment to Prior Period Financial Statements

The financial statements of the Parish-Wide Fire Protection District of East Feliciana Parish as of June 30, 2016 were audited by other auditors whose opinion dated April 29, 2017 was unmodified. As discussed in Note 7 to the accompanying financial statements, the District restated its 2016 financial statements in the current year to correct cash balances, capital lease obligations, capital assets, and related accumulated depreciation. The previous auditors reported on the 2017 financial statements before these adjustments. As part of my audit of the 2017 financial statements, I also audited adjustments described in Note 7 that were applied to restate the 2016 financial statements. In my opinion, the adjustments are appropriate and have been properly applied. I was not engaged to audit, review, or apply any procedures to the 2016 financial statements other than with respect to the adjustments, and accordingly, I do not express an opinion or any other form of assurance on the 2016 financial statements as a whole.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parish-Wide Fire Protection District of East Feliciana Parish's basic financial statements. The schedule of compensation paid to board members and schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the other information listed herein are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated October 18, 2018, on my consideration of the Parish-Wide Fire Protection District of East Feliciana Parish's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Parish-Wide Fire Protection District of East Feliciana Parish's internal control over financial reporting and compliance.



Minda Raybourn CPA

Franklinton, LA
October 18, 2018

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

This section presents management's overview and analysis of the financial activities of the organization for the fiscal year ended June 30, 2017. The Management's Discussion and Analysis (MD&A) describes the significant changes from the prior year that occurred in general operations and discusses activities during the year for capital assets and long term debt. The information presented here should be considered in conjunction with the financial statements taken as a whole.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the fiscal year of June 30, 2017 by \$3,443,954 (net position). The District's unrestricted net position of \$1,773,215 may be used to meet the District's ongoing obligations for fire protection for its citizens.
- For the year ended June 30, 2017, the District's net position decreased \$94,247 after prior period adjustments.
- At June 30, 2017 the District reported in its governmental fund balance \$1,773,215 which represents an \$114,691 decrease for the year after prior period adjustments. Of this amount \$312,837 is unassigned and is available for use for fire protection.
- Property taxes and fire protection taxes decreased \$25,501 for the year. Total taxes were \$1,267,486 for the current fiscal year compared to \$1,292,986 for the prior year.
- Expenditures for the current fiscal year were \$1,571,126 compared to the prior year of \$1,149,502.
- Total long-term liabilities decreased \$131,774 due primarily to payment on capital lease obligations.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government wide financial statements* are designed to provide readers with a broad overview of the District's finances taken as a whole, in a manner similar to a business.

The *statement of governmental net position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of governmental activities* presents information showing how the District's net position changed during the year. The statement includes all of the District's revenues and expenses, regardless of when the cash is received or paid.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

All of the District's activities in the government-wide financial statements are principally supported by the general District revenues such as property taxes and structural fees. The governmental activities reported in government-wide financial statements include general government activity, the fire protection and interest on long-term debt.

The government-wide financial statements use the full accrual basis of accounting method which records revenues when earned and expenses at the time the liability is incurred, regardless of when the related cash flows take place.

The government-wide financial statements are located on pages 14-15 of this report.

FUND FINANCIAL STATEMENTS

The *fund financial statements* report the District's operations in more detail than the government-wide financial statements and focus primarily on short-term activities of the District. The fund financial statements measure only current revenues and expenditures and fund balances; excluding capital assets, long-term debt, and other long-term obligations.

The fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resource and uses. Capital assets and other long-lived assets, along with long term liabilities, are not presented in the fund financial statements. These financial statements help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. I describe the relationship or differences between the government-wide and fund financial statements in a reconciliation following the fund financial statements.

The fund financial statements provide detailed information about each of the District's most significant funds called Major Funds. The District's Major Fund is the General Funds. The District currently has no non-major funds.

Comparisons of Budget and Actual financial information are presented for the General Fund.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The *notes* provide additional information that is essential to the reader for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 22 of this report.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presented required supplementary information concerning the budgetary comparison schedules presented immediately following the notes to the financial statements.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

This analysis focuses on the net position and change in net position of the District's Governmental Activities. Over time, net position may serve as a useful indicator of a government's financial position. The District's net position is reported as follows:

**Summary of Net Position
Governmental Activities**

Assets	2017	2016
Current Assets	1,776,415	1,693,434
Capital Assets, Net	2,433,318	2,659,697
Total Assets	<u>4,209,733</u>	<u>4,353,131</u>
Liabilities		
Current Liabilities	98,870	91,774
Noncurrent Liabilities	666,909	802,579
Total Liabilities	<u>765,779</u>	<u>894,353</u>
Net Position		
Net Investment in Capital Assets	1,670,739	1,765,344
Unrestricted	1,773,215	1,693,434
Net Position	<u>3,443,954</u>	<u>3,458,778</u>

Approximately 49% of the District's net position reflects its investment in capital assets net of any outstanding related debts used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Approximately 51% of the District's net position is unrestricted and may be used to meet the District's ongoing obligations to its citizens. At the end of the fiscal year, the District was able to report positive balances in its sole category, governmental activities.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position. The narrative that follows describes the individual program expenses, program revenues, and general revenues in more detail.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Summary of Changes in Net Position

Governmental Activities

	2017	2016	Difference	%
Revenues				
Program Revenues:				
Operating Grants/Contributions	9,172	212,819	(203,647)	-96%
General Revenues:				
Property Taxes	899,228	822,899	76,329	9%
Fire Protection Taxes	368,258	470,087	(101,830)	-22%
Interest Earned	12,636	5,113	7,523	147%
Other	67,264	45,457	21,807	48%
Total Revenues	1,356,558	1,556,375	(199,818)	-13%
Expenditures				
General Government	1,571,126	1,149,502	421,624	37%
Change in Net Position	(214,568)	406,873	(625,271)	-154%

Government Activities-Governmental Funds

The District's governmental net position decreased by \$214,568 or 154% compared to the prior year of a positive \$406,873.

Expenses

Expenditures increased \$421,624 or 37%. Total expenditures are \$1,571,126 for the current year compared to \$1,149,502 for the prior year. This was mostly due to an increase in supplies, firefighting gear, and repairs and maintenance expenditures.

Revenues

Total general revenues consisting of property taxes, fire protection taxes, interest earned, and other revenues decreased \$199,818 or 13%. Operating grants decreased \$203,647 or 96%.

Fund Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may service as a useful measurement of a government's net resources available for spending at the end of the fiscal year.

The General Fund is used to account for all revenues and expenditures related to the general operations for the District which are not accounted for in another fund. Unassigned fund balance decreased \$114,691 to \$1,773,215 from \$1,887,906.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

At the end of the current fiscal year, non-spendable fund balance was \$102,220 or 6% of the total fund balance. Assigned fund balance was \$1,358,158 or 77% of the total fund balance. The assigned fund balance is for station operations. The unassigned fund balance was \$312,837 or 17%.

General Fund Budgetary Highlights

The District adopted the budget for the General Fund prior to the start of the fiscal year. It was amended before the fiscal year ended. As required by state law, actual revenues and other sources cannot be less than 5% of budgeted revenues and other sources. Actual expenditures and other uses cannot be more than 5% of budgeted expenditures and other uses. The District was within these legal requirements. Schedule I detailing budget compliance is included as Required Supplemental Information, following the notes to the financial statements.

Capital Assets

The District's capital assets, net of accumulated depreciation, consist of the following at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Land	18,500	18,500
Buildings	1,126,695	1,126,695
Vehicles	5,104,460	5,104,460
Equipment	1,849,842	1,819,645
Other	151,029	151,029
Accumulated Depreciation	<u>(5,817,209)</u>	<u>(5,560,631)</u>
Capital Assets, Net	<u><u>2,433,318</u></u>	<u><u>2,659,697</u></u>

The District purchased equipment for \$30,198. Depreciation expense was recorded at \$256,577.

Debt Administration

The District's long-term liabilities consist of the following at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Capital Lease Payable	<u><u>762,579</u></u>	<u><u>894,353</u></u>

Financial Contact

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

The financial report is designed to provide a general overview of the District's finances, comply with finance related laws and regulations, and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be addressed to Parish-Wide Fire Protection District of East Feliciana Parish, PO Box 8826, Clinton, Louisiana, 70722. The District's telephone number is (225) 302-0016.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF NET POSITION
June 30, 2017

Statement A

ASSETS	
Cash and Cash Equivalents	1,291,881
Investments	282,744
Receivables, Net	99,571
Prepaid Expenses	102,220
Capital Assets, net of Accumulated Depreciation	2,433,318
 TOTAL ASSETS	 <u><u>4,209,733</u></u>
 LIABILITIES	
Current Liabilities	
Accounts Payable	3,200
Long Term Debt Due Within One Year	95,670
 Noncurrent Liabilities	
Long Term Debt Due Within One Year	666,909
 TOTAL LIABILITIES	 <u><u>765,779</u></u>
 NET POSITION	
Net Investment in Capital Assets	1,670,739
Unrestricted	1,773,215
 TOTAL NET POSITION	 <u><u>3,443,954</u></u>

The accompanying notes are an integral part of these financial statements.

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF ACTIVITIES
June 30, 2017**

Statement B

Functions/Programs	Program Revenues			Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		
Governmental Activities					
General Government	199,996	-	-	-	(199,996)
Station Activity	1,276,882	-	9,172	-	(1,267,710)
Total Governmental Activities	1,476,879	-	9,172	-	(1,467,707)
General Revenues and Transfers					
Property Taxes					899,228
Fire Protection Taxes					368,258
Other Revenues					67,264
Interest Earned					12,636
Total General Revenues					1,347,386
Transfers					(94,247)
Total General Revenues and Transfers					1,253,139
Change in Net Position					(214,568)
Net Positon, Beginning, Restated					3,658,522
Net Positon, Ending					3,443,954

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BALANCE SHEET**

June 30, 2017

Statement C

ASSETS

Cash and Cash Equivalents	1,291,881
Investments	282,744
Receivables, net	99,571
Prepaid Expenses	102,220

TOTAL ASSETS	<u><u>1,776,415</u></u>
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LIABILITIES

Current Liabilities

Accounts Payable	3,200
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TOTAL LIABILITIES	<u><u>3,200</u></u>
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NET POSITION

Nonspendable	102,220
Assigned to Station Operations	1,358,158
Unrestricted	312,837

TOTAL NET POSITION	<u><u>1,773,215</u></u>
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The accompanying notes are an integral part of these financial statements.

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION
June 30, 2017**

Statement D

Total Fund Balances-Total Governmental Funds	1,773,215
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	2,433,318
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds	(762,579)
	<u>3,443,954</u>

The accompanying notes are an integral part of these financial statements.

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
June 30, 2017**

Statement E

REVENUES	
Property Taxes	899,228
Fire Protection Taxes	368,258
TOTAL REVENUES	<u><u>1,267,486</u></u>
EXPENDITURES	
General Government	199,996
Station Activity:	
Operations	982,038
Debt Service	164,770
Capital Outlay	30,198
TOTAL EXPENDITURES	<u><u>1,377,002</u></u>
INCOME BEFORE OTHER FINANCING SOURCES (USES)	<u><u>(109,516)</u></u>
OTHER FINANCING SOURCES (USES)	
Grants and other Contributions	9,172
Rebates/other Revenues	67,264
Interest Earned	12,636
Transfers to Local Governments	(94,247)
TOTAL OTHER FINANCING SOURCES (USES)	<u><u>(5,175)</u></u>
CHANGE IN FUND BALANCE	(114,691)
FUND BALANCE BEGINNING OF YEAR (RESTATED)	1,887,906
FUND BALANCE, ENDING OF YEAR	<u><u>1,773,215</u></u>

The accompanying notes are an integral part of these financial statements.

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Statement F

June 30, 2017

Net Change in Fund Balances-Total Governmental Funds	(114,691)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period:

Capital outlays recorded as expenditures in the governmental funds	30,198
Depreciation not reported in governmental funds	(256,577)

Loan and lease proceeds provided current financial resources to Governmental funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of loan and capital lease principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide statements.

This amount represents loans and leases issued during the current period.	-
This amount represents loans and capital lease principal payments during the current period.	126,503

Change in net position of governmental activities	<hr style="border: none; border-top: 1px solid black;"/> (214,568) <hr style="border: none; border-top: 1px solid black;"/>
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The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

INTRODUCTION

The Parish-wide Fire Protection District of East Feliciana Parish, Louisiana (hereinafter referred to as the District) was established on November 7, 1994, by the Parish Police Jury for the purpose of acquiring, constructing and improving buildings, machinery and equipment to be used in providing fire protection to the citizens of East Feliciana Parish, Louisiana. Its boundaries were extended throughout the parish by resolutions adopted by the governing authorities of the Town of Clinton, Jackson and Slaughter and the Villages of Norwood and Wilson. It is governed by a Board of Commissioners made up of seven individuals. The District covers an area of approximately 455.7 square miles and a population of approximately 20,360 people.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity: The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, established criteria for determining which organizations or component units should be included in the District for reporting purposes. These criteria focus on the concept of financial accountability and includes the following:

- a) Whether the potential component unit is legally separate organization with the capacity to have its own name, the right to sue and the be sued and the right to buy, sell, lease and mortgage property in its own name;
- b) Whether the District appoints a voting majority of the potential component unit's governing body;
- c) Whether the potential component unit is fiscally interdependent of the District;
- d) Whether the District possess the ability to significantly influence the programs, projects, activities or level of services performed or provided by the potential component unit;
- e) Whether the relationship between the District and the potential component unit creates the possibility of financial benefit/burden.

Based on the definition of a reporting entity and the criteria above, the accompanying financial statements include the volunteer fire departments of Bluff Creek, Clinton, Ethel, Jackson, Jackson Airport, Magnolia, McManus, Norwood, Olive Branch, Pecan Grove, Slaughter, Wilson and Woodland as blended component units. The activities, included in the financial reporting entity as part of the General Fund, of these departments are those related to the fire protection fees received by the District and disbursed to the departments. Each month, the individual departments attend the District's Board meetings to report on the status of these funds and gain approval for any expenditure of these funds. The books are maintained by each individual volunteer fire department.

Government-Wide Accounting: In accordance with Government Accounting Standards Board Statement No. 34, the District has presented a Statement of Net Position and Statement of Activities for the District as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-

PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the Statement of Net Position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Policy has set the capitalization threshold for reporting at \$5,000. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net assets.

Program Revenues

The Statement of Activities presents three categories of program revenues - (1) charges for services; (2) operating grants and contributions and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the District. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the District has chosen not to do so.

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

PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified as governmental. This category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund - the general operating fund of the District that accounts for all financial resources, except those required to be accounted for in other funds.

Basis of Accounting/Measurement Focus: The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. The District does not have any business-type activities.

Budgets and Budgetary Accounting: The District adopts an annual budget for the General Fund. It is prepared in accordance with the basis of accounting utilized by that fund. The Board members must approve any revisions that alter the total expenditures. Budgeted amounts shown are as originally adopted or as amended by the Board. Budget amendments are passed on an as-needed basis, and a balanced budget is required.

If an appropriation ordinance is not passed consistent with the budget, 50% of the prior year appropriation is deemed re-appropriated. Appropriations lapse at year end.

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

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Investments: The District categorizes the fair value of its investments based on the hierarchy established by GASB Statement 72, *Fair Value Measurement and Application*. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. All of the District's investments are measured using Level 1 inputs.

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

Capital Assets: The District's assets are recorded at historical cost. Donated assets are recorded at fair market value on the date of donation. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Buildings	40 years	Vehicles	7-10 years
Equipment	4-10 years	Infrastructure	40-50 years
Office furniture	5-7 years		

Compensated Absences: The District does not have compensated absences.

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

Net Position/Fund Balances: In the statement of net position, the difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position

Net position that are reserved by external sources, such as banks or by law, are reported separately as restricted net position. When assets are required to be retained in perpetuity, these nonexpendable net position are recorded separately from expendable net position. These are components of restricted net position.

Unrestricted Net Position

This category represents net position not appropriate for expenditures or legally segregated for a specific future use.

PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Non-spendable

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

Restricted

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

Committed

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

Assigned

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

Unassigned

This category represents that portion of equity that is available for any purpose.

The Fire District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within the unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The Fire District does not have a formal minimum fund balance policy.

Inter-fund Transactions: All inter-fund transactions, except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

Property Taxes: Property taxes are levied and collected by the Police Jury of East Feliciana Parish. They are remitted to the District in the month subsequent to that in which the Police Jury receives them.

NOTE 2 - CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. 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 that the fiscal agent has failed to pay deposited funds upon demand.

With the adoption of GASB Statement No. 40, only deposits considered exposed to custodial credit risk are required to be disclosed. At June 30, 2017, the District did not have any cash and/or cash equivalents exposed to custodial credit risk.

At June 30, 2017, the District has deposits (book balances) as follows:

Interest-bearing demand	811,894
Demand Deposits	<u>479,987</u>
Total Cash and Cash Equivalents	<u>1,291,881</u>
Investment at LAMP, Inc.	282,744
Total Deposits	<u><u>1,574,625</u></u>

NOTE 3 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the District or its agent in the District's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the District's name.

The only investments held by the District at June 30, 2017 are Louisiana Asset Management Pool (LAMP) as described in Note 2.

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments, when held, are carried at fair market value, with the estimated fair market value based on quoted market prices.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

In accordance with GASB Codification Section 150.165, the investment in the Louisiana Asset Management Pool (LAMP) at June 30, 2017, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

at the value of the pool shares, which is the same as the fair value. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprised of the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

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

While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB 40, Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7 - like investment pool. The following facts are relevant for 2a7 like investment pools:

1. Credit risk: LAMP is rated AAAM by Standards and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement per paragraph 15 of the GASB 40 statement. However, LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP'S total investments, as provided by LAMP, is 39 days as of June 30, 2017.
5. Foreign currency risk: Not applicable to 2a7-like pools.

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

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. LAMP, Inc., issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by calling (800) 249-5267.

NOTE 4-ACCOUNTS RECEIVABLE

The governmental funds receivables are all current at June 30, 2017 and consist of the following:

	2017
Property Taxes	81,981
Fire Protection Fees	18,159
Sub-total	100,140
Allowance for Doubtful Accounts	(569)
Net	99,571

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5- CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2017 for governmental activities is as follows:

	2016	Increases	Decreases	2017
Capital assets, not being depreciated				
Land	18,500	-	-	18,500
Total capital assets, not being depreciated	18,500	-	-	18,500
Capital assets being depreciated				
Buildings	1,126,695			1,126,695
Vehicles	5,104,460			5,104,460
Equipment	1,819,645	30,198		1,849,842
Other	151,029			151,029
Total capital assets, being depreciated	8,201,829	30,198	-	8,232,026
Less accumulated depreciation for:				
Buildings	928,345	13,391		941,736
Vehicles	3,185,556	174,448		3,360,004
Equipment	1,295,701	68,739		1,364,440
Other	151,029	-		151,029
Total accumulated depreciation	5,560,631	256,577	-	5,817,209
Total capital assets being depreciated, net	2,641,197	(226,380)	-	2,414,818
Governmental activities, capital assets, net	2,659,697	(226,380)	-	2,433,318

Depreciation expense for capital assets was charged to function as follows:

Fire Protection \$226,380

During the year 2017, the District purchased equipment in the amount of \$30,198.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 6 – LONG-TERM LIABILITIES

The District’s long-term liabilities consist of capital lease obligations. The following is a summary of changes in long term liabilities for governmental activities for the year ended June 30, 2017:

	Balance 7/1/2016	Additions	Retirements	Balance 6/30/2017	Due Within One Year
Lease Obligations	894,353	-	(131,774)	762,579	95,670

The following is the debt service obligations on the capital leases of the District:

	Principal	Interest	Total
2018	95,670	34,399	130,069
2019	99,737	30,303	130,040
2020	103,981	26,059	130,040
2021	108,411	18,170	126,581
2022	112,644	16,506	129,150
2023-2027	242,136	23,616	265,752
Total	762,579	149,053	911,632

NOTE 7 – RESTATEMENT OF NET POSITION/FUND BALANCE

During fiscal year 2017, it was determined that the District had not included in the prior audit report all of the station cash accounts and the acquisition of a pumper. In addition, it was determined the District had not included in the prior audit report various capital lease obligations. Governmental/activities net position and the general fund fund balance as of July 1, 2016 have been restated as follows:

	Governmental Activities	General Fund
Net position/fund blance as previously reported	4,177,391	1,693,434
Cash accounts overstated	194,473	194,473
Acquisition of pumper, net of depreciation	181,012	
Capital Lease Obligations	(894,353)	
Total	3,658,522	1,887,907

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8 – TAXES

A special ad valorem tax was levied, assessed and imposed on all taxable property within the Parish of East Feliciana. Approval was granted with a special election held initially on April 20, 1996 with a subsequent renewal in 2009. The tax ended in the year 2023. The tax is collected by the Parish Policy Jury and remitted to the District. Taxes are due on January 1st and become delinquent on December 31st. A millage of 6.25 was levied for the current year.

The 1974 Louisiana Constitution (Article 7 Section 18) provides for the following assessments based on fair market values:

Land and improvements for residential purposes	10%
Other property and electric cooperative properties, excluding land	15%
Public service properties, excluding land	25%

Fair market value is determined by the elected assessor of the Parish except for public service properties which are valued by the Louisiana Tax Commission according to La. Revised Statute 47:1957. These assessments are subject to review and certification by the Louisiana Tax Commission. Property subject to taxation is required to be reassessed at intervals of not more than four years. Property taxes are recognized in the accounting period in which they become available and measurable which is the calendar year of the tax levy. Accordingly, the tax roll is recorded as revenue in the current year, and an estimated uncollectible amount is recorded.

The property tax calendar is as follows:

Levy date	September 25
Tax bills mailed	December 2
Due date	December 31
Lien date	January 1

In accordance with the provisions of La. Revised Statute 40:1502.13, as amended, the District levied a fire protection tax of \$48 on persons owning residential or commercial structures and \$38 on persons owning mobile homes, whether occupied or not, located wholly or partly within the boundaries of the District. This tax is levied on each structure for the purpose of providing fire protection and emergency services. A special election was held on November 4, 2014. The tax begins in the year 2015 and ends in the year 2024.

NOTE 9 - RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure in the accompanying financial statements.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10 - SUBSEQUENT EVENTS

On July 28, 2017, the Parish-Wide Fire Protection District of East Feliciana Parish on behalf of the Jackson Volunteer Fire Department entered in to a municipal lease-purchase agreement for the acquisition of a ladder fire truck. The total acquisition cost is \$247,400 with the District paying \$50,000 and the remaining balance of \$197,400 being financed through the lease purchase agreement. The agreement stipulates five yearly payments of \$43,526 totaling \$217,631 (\$197,400 in principal and \$20,231 in interest). The first payment is due July 28, 2018 with the fifth and final payment due July 28, 2022.

Subsequent events have been evaluated by management through October 18, 2018, the date the financial statements were available for issuance. No other events were noted that require recording or disclosure in the financial statements for the year ending June 30, 2017.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2017**

Schedule 1

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Property Taxes	1,000,000	900,000	899,228	(772)
Fire Protecton Taxes	342,000	277,000	368,258	91,258
TOTAL REVENUES	1,342,000	1,177,000	1,267,486	90,486
EXPENDITURES				
General Government	410,300	332,000	199,996	132,004
Station Activity:				
Operations	502,000	1,243,000	982,038	260,962
Debt Service	325,000	400,000	164,770	235,230
Capital Outlay	100,000	300,000	30,198	269,803
TOTAL EXPENDITURES	1,337,300	2,275,000	1,377,002	897,998
INCOME BEFORE OTHER FINANCING SOURCES (USES)	4,700	(1,098,000)	(109,516)	(807,512)
OTHER FINANCING SOURCES (USES)				
Grants and other Contributions	-	-	9,172	9,172
Rebates/other Revenues	1,500	5,000	67,264	62,264
Interest Earned	3,000	4,000	12,636	8,636
Transfers to Local Governments	-	-	(94,247)	(94,247)
TOTAL OTHER FINANCING SOURCES (USES)	4,500	9,000	(5,175)	(14,175)
CHANGE IN FUND BALANCE	9,200	(1,089,000)	(114,691)	(821,687)
FUND BALANCE BEGINNNING OF YEAR (RESTATED)	1,887,906	1,887,906	1,887,906	-
FUND BALANCE, ENDING OF YEAR	1,897,106	798,906	1,773,215	(821,687)

See independent auditor's report

OTHER SUPPLEMENTARY INFORMATION

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
SCHEDULE OF COMPENSATION PAID
TO BOARD MEMBERS
June 30, 2017**

Schedule 2

The following serve on the Board of Parishwide Fire Protection District of East Feliciana Parish.
No payment was rendered for their services as of June 30, 2017.

Doug Beachamp
Kelly Davis
Jimmy Garig
Earl Ravencraft
James Guillory
Allen McNabb
James Jenkins

See independent auditor's report

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
June 30, 2017

Schedule 3

Agency Head
Allen McNabb, Chairman

Purpose	
Compensation	-
Benefits	-
Other Payments	-
Total Compensation, Benefits, and Other Payments	<u>-</u>

See independent auditor's report

Minda B. Raybourn
Certified Public Accountant
Limited Liability Company
820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402
wrcpa@franklinton.net

Member
AICPA

Member
LCPA

**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 Members of the Board of Commissioners
Parish-Wide Fire Protection District of
East Feliciana Parish, Louisiana
P O Box 8826
Clinton, LA 70722

I 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 business-type activities of the Parish-Wide Fire Protection District of East Feliciana Parish, a component unit of the East Feliciana Parish Policy Jury, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Parish-Wide Fire Protection District of East Feliciana Parish's basic financial statements and have issued our report thereon dated January 28, 2018.

Internal Control over Financial Reporting

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

My 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2017-002, 2017-003, 2017-004, and 2017-005 that I consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Parish-Wide Fire Protection District of East Feliciana Parish's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2017-001.

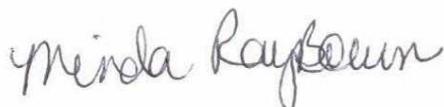
Parish-Wide Fire Protection District of East Feliciana Parish's Response to Findings

Parish-Wide Fire Protection District of East Feliciana Parish's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. Parish-Wide Fire Protection District of East Feliciana Parish's responses was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

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.

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



Minda Raybourn CPA

Franklinton, LA
October 18, 2018

**PARISH-WIDE FIRE PROTECTION DISTRICT OF EAST FELICIANA PARISH
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2017**

Finding 2017-001 Late Submittal of Audit Report (Compliance Finding)

CRITERIA: Louisiana audit requirements stipulate that the audited financial statements be submitted within six months of the entity's fiscal year. The District's due date was December 31, 2017.

CONDITION: The audit report was submitted ten months past the statutory due date.

CAUSE OF CONDITION: The District's individual stations are required by the District's policies and procedures to submit all accounting records by August 30th following the close of the fiscal year. Some of the records were not submitted until after December 31, 2017.

EFFECT OF CONDITION: The District was not in compliance with the state audit requirements.

RECOMMENDATION: The District needs to ensure that the stations timely submit the accounting records so that data can be entered into the District's parish-wide accounting system and to ensure sufficient time is provided for audit procedures.

MANAGEMENT'S RESPONSE: The District will take steps to comply with the recommendation

Finding 2017-002 Lack of Controls Over Disbursements (Material Weakness)

CRITERIA: Adequately designed and operating internal controls over financial reporting provides for adequate documentation to support transactions and to allow for proper review and approval of transactions including disbursements.

CONDITION: Audit procedures testing disbursements revealed six disbursements did not have supporting documentation.

CAUSE OF CONDITION: The District did not have all of the individual station invoices for the year.

EFFECT OF CONDITION: Without adequate documentation to support disbursements, there is no proof that the expenditure was properly initiated, approved for payment, and reviewed for adequacy. Without adequate documentation to support disbursements, there is no proof that the disbursements were distributed to the appropriate vendors. Lack of adequate documentation demonstrates the inadequacy of the District's internal control over disbursements. Lack of proper documentation over disbursement exposes the District to possible fraud and misappropriation of assets.

RECOMMENDATION: The District should put internal controls in place to ensure that each individual station maintains proper documentation to support all disbursements. A periodic review of bank statements, check stubs, and disbursement files needs to occur to ensure the adequacy and proper review and approval of the disbursements.

MANAGEMENT'S RESPONSE: The District will follow the auditor's recommendation to strengthen the internal controls over disbursements.

**PARISH-WIDE FIRE PROTECTION DISTRICT OF EAST FELICIANA PARISH
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2017**

Finding 2017-003 Lack of Controls over Credit and Debit Cards (Material Weakness)

CRITERIA: Adequately designed and operating internal controls over financial reporting provides for adequate documentation to support transactions and to allow for proper review and approval of transactions including disbursements.

CONDITION: Two stations have credit cards and four stations have debit cards. One station did not have the original itemized receipt for a debit card purchase. One station had eight charges on the credit card statement. Two charges had an original itemized receipt and six charges did not.

CAUSE OF CONDITION: Debit card purchases were not matched to the bank statement with an itemized receipt. The purchases on the credit card statement was not matched up with itemized receipts.

EFFECT OF CONDITION: Without adequate documentation to support disbursements, there is no proof that the expenditure was properly initiated, approved for payment, and reviewed for adequacy. Without adequate documentation to support disbursements, there is no proof that the disbursements were distributed to the appropriate vendors. Lack of adequate documentation demonstrates the inadequacy of the District's internal control over disbursements. Lack of proper documentation over disbursement exposes the District to possible fraud and misappropriation of assets.

RECOMMENDATION: Each station needs to match up debit card purchases with the bank statement and with an itemized receipt. Credit card purchases need to be matched up with the credit card statement. The station officials need to review and approve each debit card receipt and credit card receipt.

MANAGEMENT'S RESPONSE: The District will take steps to implement the auditor's recommendation.

Finding 2017-004 Lack of Controls Over Capital Asset and Depreciation Schedule (Material Weakness)

CRITERIA: Adequate internal controls over financial reporting provide accurate financial reporting. This includes preparation, review, and reconciliation of detailed capital asset listing. Each capital asset on the list should be supported by an approved invoice and any debt arrangements such as a lease or loan. A physical inventory of all assets on the listing provides proper accounting for the assets.

CONDITION: A depreciation schedule was obtained to support the fixed asset values on the financial report. A pumper purchased through a capital lease purchase agreement in October 2015 for one of the stations was not included on the depreciation schedule in the prior fiscal year. In addition, some of the older vehicles are grouped together by year and not as individual items, making it difficult to understand what vehicle was purchased and which station it was assigned to.

CAUSE OF CONDITION: It appears the depreciation schedule was inadequate in prior years.

EFFECT OF CONDITION: Inadequate controls over capital assets exposes the District to several risks including misappropriation of assets and inaccurate or fraudulent financial reporting.

**PARISH-WIDE FIRE PROTECTION DISTRICT OF EAST FELICIANA PARISH
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2017**

RECOMMENDATION: The District should perform physical inventory counts each year and compare to the detailed asset records including each station list and the depreciation schedule to ensure all assets are being properly accounted for.

MANAGEMENT'S RESPONSE: The District has policies in place which require each fire station to maintain a detailed list of all assets purchased over \$5,000. In addition, assets are to be counted on a periodic basis no less than annually and compared to the detail list.

Finding 2017-005 Lack of Controls Over Debt Obligations (Material Weakness)

CRITERIA: Adequate internal controls over financial reporting provide for the proper recording and accounting for debt transactions. It provides for the accuracy of borrowings and repayments according to the terms of the debt agreements. It also provides that capital leases are properly identified and recorded. Good internal controls also provide that interest is accurately calculated and recorded. Governmental accounting standards require that long-term obligations are reported as liabilities in the governmental funds in the government-wide financial statements. It is also required that in the governmental fund types, long-term obligations are reported as other financing sources in the fund financial statements.

CONDITION: The previous audit report did not contain any of the capital leases in the government-wide financial statements as long term debt. A prior period adjustment had to be recorded to the net position in the amount of \$889,082 to record the effect of the capital lease obligations.

CAUSE OF CONDITION: The previous audit report did not contain any of the leases in the government-wide financial statements as long term debt.

EFFECT OF CONDITION: The financial reports of the District will be materially misstated if capital lease obligations are not properly recorded.

RECOMMENDATION: The District should ensure that any capital lease obligations are included in the financial statements. Copies of the lease agreements should be provided to the District accountant so that they can be included in the accounting records.

MANAGEMENT'S RESPONSE: We will take steps to include all capital lease obligations in the accounting system.

**PARISH-WIDE FIRE PROTECTION DISTRICT OF EAST FELICIANA PARISH
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2017**

Finding 2016-01 Compliance with the Audit Law

CRITERIA: Louisiana Revised Statute 24:513 requires that the audited financial statements be submitted to the Louisiana Legislative Auditor within six months of the close of the entity's fiscal year. This equates to December 31st for the district.

CONDITION: This condition was not met for the year ended June 30, 2016.

RECOMMENDATION: The recommendation was that management make every effort to comply with the Audit Law.

MANAGEMENT'S RESPONSE: The District will comply with the recommendation.

STATUS: Unresolved.

Finding 2016-02 Compliance with the Local Government Budget Act

CRITERIA: Louisiana Revised Statute 39:101-1315 (Government Budget Act) requires that revenues and expenditures fall within 5% of the budgeted Authority:

CONDITION: Based on the budgeted expenditures, the District was slightly over budget by 6.87%.

RECOMMENDATION: The recommendation was that management review its budget to actual comparison on a periodic basis at least quarterly, and make appropriate adjustments in order to comply with this Act.

MANAGEMENT'S RESPONSE: The District will comply with the recommendation.

STATUS; Resolved.

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

October 13, 2018

Parishwide Fire Protection District of East Feliciana Parish
PO Box 8826
Clinton, LA 70722
And Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Parishwide Fire Protection District of East Feliciana Parish (Entity) 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 July 1, 2016 through June 30, 2017. The Entity'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, I 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

There are policies in place for preparing and adopting the budget. However, there are no policies and procedures in place for monitoring and amending the budget.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The District does not have policies and procedures in place on how purchases are initiated and how vendors are added to the vendor list. The District does not use purchase requisitions or purchase orders. The District does have a policy that purchases in excess of the amounts stated in the public bid law are subject to the District Board's approval prior to purchase and that purchase procedures are to comply with the state public bid law. The District's policies and procedures state that any purchases in excess of the state bid law are to be approved by the District's board prior to purchase. It is not specific as to the documentation required for all bids and price quotes.

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

There are policies and procedures in place for processing, reviewing, and approving disbursements.

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

The District does not have policies and procedures for receiving, recording, and preparing deposits.

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

The District does not have any employees.

- 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 District does not have any policies and procedures in place regarding contracts.

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

The District does not have any policies and procedures in place regarding credit cards, debit cards, fuel cards, and P-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 District does not have any policies and procedures in place regarding 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.

There were no exceptions noted as a result of applying this procedure.

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

The District does have a policy in place regarding debt issuance approval. There are no policies in place for EMMA reporting requirements, debt reserve requirements, and debt service requirements.

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.

The District meets each month.

- 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).

- 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.

Monthly budget to actual comparisons were not referenced in the minutes. The District's general fund does not have a deficit balance.

- 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.

The minutes referenced non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

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

A listing of client bank accounts and management's representation the listing is complete were obtained.

- 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. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* 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;
- 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

Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that management's review was not documented on the reconciliations.

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

Management has documentation and has reviewed items that have been outstanding for more than 6 months at the end of the fiscal year.

Collections

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

A listing of cash collection locations and management's representation that the listing is complete were obtained.

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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. 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.

The person collecting cash is not bonded. The person collecting cash is responsible for depositing cash in the bank. The District has an external accountant that records the receipts and reconciles the bank account. The District does not have a cash register or drawer.

- 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.

The District uses an external accountant to reconcile cash collections to the general ledger by revenue source. The accountant is not responsible for cash collections. The process is not in writing.

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.

The highest (dollar) week of cash collections for the one collection location was obtained along with collection documentation, deposit slips, and bank statements. All collections were deposited by more than three business days.

- 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.

All collections were completely supported by documentation for the location tested.

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 District does not have a process specifically defined in writing to determine completeness of all collections for each revenue source. However, this process is performed by the District's accountant who is not responsible for collections.

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.

The general ledger was obtained and sorted and filtered for entity disbursements. Management's representation that the population 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.

The District's disbursement policy does not require the use of a requisition/purchase order or equivalent electronic system.

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

The District's disbursement policy does not require the use of a requisition/purchase order or equivalent electronic system.

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

The District's disbursement policy does not require the use of a requisition/purchase order or equivalent electronic system. Six disbursements did not have an invoice, receipt, or other documentation to substantiate the purchase. The disbursements paid out of station accounts that did have supporting documentation were evidenced with approval by the appropriate station officials. Invoices paid by the District were not noted with approval.

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 District does not have written documentation that prohibits the person responsible for processing payments from adding vendors to the purchasing/disbursement system. The outside CPA adds vendors to the accounting system as needed.

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 checks are to be signed by two of the fire district officers and or station officials. However, the District's policies do not state who can initiate purchases. The outside CPA records the purchases to the accounting system for the District.

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.

Inquiry and observations of management indicated that unused check stock is maintained in a locked location.

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.

The District does not use signature stamps or a signature machine. The checks are mailed as soon as processing is finished and signatures are obtained.

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.

Two stations have credit cards and four stations have debit cards. Management's representation that the list is complete was obtained.

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. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Out of the six stations that have debit and credit cards:

One station did not have documentation the debit card purchase was reviewed and approved.

One station had eight charges on the credit card statement. For review and approval, two charges were documented and six were not. However, the statement was documented for approval.

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

I did not find any finance charges or late fees.

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).

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Out of the six stations that have debit and credit cards:

One station did not have the original itemized receipt for a debit card purchase.

One station had eight charges on the credit card statement. Two charges had an original itemized receipt and six did not have documentation.

- 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.

None of the transactions tested were not required to comply with the Louisiana Public Bid Law.

- 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.

Of the transactions tested, none violated the requirement of Article 7, Section 14 of the Louisiana Constitution.

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.

The general ledger was sorted and filtered for travel reimbursements. Management's representation that the general ledger is complete was obtained.

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 District does not have written policies regarding travel and expense reimbursements.

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.

There were no exceptions noted as a result of applying this procedure.

- 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.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating)
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

There were no exceptions noted as a result of applying this procedures.

- 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.

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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.

The general ledger was sorted and filtered for contract payments. Management's representation that the general ledger is complete was obtained.

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.

There were no exceptions noted as a result of applying this procedure.

- 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)

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

- 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.

This procedure was 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.

There were no exceptions noted as a result of applying this procedure.

- 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).

There were no exceptions noted as a result of applying this procedure.

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:

The District does not have employees.

- 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.

The District does not have employees.

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.

The District does not have employees.

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.)

The District does not have employees.

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

The District does not have employees.

- 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.

The District does not have employees.

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.

The District does not have employees.

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.

The District does not have employees.

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.

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 period.

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.

No debt was 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.

The District made the required scheduled debt service payments.

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.

The District has no tax millages relating to debt service.

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 misappropriations 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.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The District does have the required notices posted on its 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 were noted as a result of applying this procedure.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.

A handwritten signature in cursive script that reads "Minda Rayburn".

Franklinton, LA
October 13, 2018