

**ST. TAMMANY PARISH  
FIRE PROTECTION DISTRICT NO. 3**

Annual Financial Statements

December 31, 2016



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## **Independent Auditor's Report**

To the Board of Commissioners  
St. Tammany Parish Fire Protection District No. 3  
Lacombe, Louisiana

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of St. Tammany Parish Fire Protection District No. 3 (the District), a component unit of St. Tammany Parish, Louisiana, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of December 31, 2016, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the supplementary schedules required by Governmental Accounting Standards Board (GASB) Statement No. 68 on pages 26 to 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of governing board and the schedule of compensation, benefits, and other payments to agency head 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 our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2017, on our consideration of St. Tammany Parish Fire Protection District No. 3's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA  
June 14, 2017

**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**Statement of Net Position**  
**December 31, 2016**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 265,259
Receivables - Ad Valorem Taxes, Net	1,459,734
Receivables - State Revenue Sharing	32,837
Receivables - Emergency Medical Services	16,559
Prepaid Expenses	37,196
Capital Assets Not Being Depreciated	
Land	287,350
Construction in Progress	4,386
Depreciable Buildings, Property, and Equipment, Net	<u>872,354</u>
<b>Total Assets</b>	<u><u>2,975,675</u></u>
<b>Deferred Outflows of Resources</b>	
Pension	<u>961,069</u>
<b>Liabilities</b>	
Accounts Payable	16,384
Accrued Expenses	116,416
Noncurrent Liabilities	
Compensated Absences	83,086
Net Pension Liability	<u>2,951,047</u>
<b>Total Liabilities</b>	<u><u>3,166,933</u></u>
<b>Deferred Inflows of Resources</b>	
Pension	<u>116,814</u>
<b>Net Position</b>	
Net Investment in Capital Assets	1,164,090
Unrestricted	<u>(511,093)</u>
<b>Total Net Position</b>	<u><u>\$ 652,997</u></u>

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

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**Statement of Activities**  
**For the Year Ended December 31, 2016**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Governmental Activities</b>					
Public Safety - Fire Protection	\$ 2,161,995	\$ -	\$ 60,000	\$ -	\$ (2,101,995)
Public Safety - Emergency Medical Services	87,952	165,276	-	-	77,324
<b>Total</b>	<b>\$ 2,249,947</b>	<b>\$ 165,276</b>	<b>\$ 60,000</b>	<b>\$ -</b>	<b>(2,024,671)</b>
<b>General Revenues</b>					
Ad Valorem Taxes					1,547,596
Other Income					102,313
State Revenue Sharing					49,111
2% Fire Tax					34,971
Interest and Investment Earnings					1,685
<b>Total General Revenues</b>					<b>1,735,676</b>
<b>Change in Net Position</b>					<b>(288,995)</b>
<b>Net Position, Beginning of Year</b>					<b>941,992</b>
<b>Net Position, End of Year</b>					<b>\$ 652,997</b>

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

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUND**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**Balance Sheet**  
**Governmental Fund**  
**December 31, 2016**

	<b>General Fund</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 265,259
Receivables - Ad Valorem Taxes, Net	1,459,734
Receivables - State Revenue Sharing	32,837
Receivables - Emergency Medical Services	16,559
Prepaid Expenses	37,196
<b>Total Assets</b>	<b>\$ 1,811,585</b>
<b>Liabilities</b>	
Accounts Payable	\$ 16,384
Accrued Expenses	116,416
<b>Total Liabilities</b>	<b>132,800</b>
<b>Deferred Inflows of Resources</b>	
Unavailable Ad Valorem Taxes	185,381
<b>Total Deferred Inflows of Resources</b>	<b>185,381</b>
<b>Fund Balance</b>	
Unassigned	1,493,404
<b>Total Fund Balance</b>	<b>1,493,404</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 1,811,585</b>
<b>Reconciliation of the governmental fund balance sheet to the statement of net position</b>	
Total Fund Balance	\$ 1,493,404
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,164,090
In 2015, the District implemented the requirements of GASB Statement No. 68, which provides for the recognition of pension obligations. This includes the recognition of related deferred outflows and inflows:	
Deferred Outflows of Resources - Pension	961,069
Deferred Inflows of Resources - Pension	(116,814)
Long-term liabilities, including net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(3,034,133)
Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements.	185,381
<b>Net Position of Governmental Activities</b>	<b>\$ 652,997</b>

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

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Governmental Fund**  
**For the Year Ended December 31, 2016**

	<b>General Fund</b>
<b>Revenues</b>	
Ad Valorem Taxes	\$ 1,591,912
Emergency Medical Services	165,276
Miscellaneous	102,313
Folgers Payment	60,000
State Revenue Sharing	49,111
2% Fire Tax	34,971
Earnings on Investments	1,685
	<hr/>
<b>Total Revenues</b>	<b>2,005,268</b>
	<hr/>
<b>Expenditures</b>	
Public Safety - Fire Protection	
Salaries	991,947
Retirement	257,546
Health Insurance	184,503
Insurance	179,229
Professional Fees	127,720
Payroll Taxes	85,772
Vehicles - Repairs	55,093
Communication	34,834
Utilities	22,570
Repairs	18,352
Office Supplies	13,439
Turn Out Gear	10,578
Supplies	9,684
Vehicles - Fuel	7,727
Training	4,527
Miscellaneous	3,646
Per Diem	3,400
Advertisement	3,157
Uniforms	2,816

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

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Governmental Fund (Continued)**  
**For the Year Ended December 31, 2016**

	<b>General Fund</b>
<b>Expenditures (Continued)</b>	
Public Safety - Emergency Medical Services	
Ambulance Repairs	29,425
Medical Director	12,000
Medical Supplies	6,981
Ambulance Fuel	5,587
EMS Training	396
Capital Outlay - Equipment	12,867
	<hr/>
<b>Total Expenditures</b>	<b>2,083,796</b>
	<hr/>
<b>Net Change in Fund Balance</b>	<b>(78,528)</b>
	<hr/>
<b>Fund Balance, Beginning of Year</b>	<b>1,571,932</b>
	<hr/>
<b>Fund Balance, End of Year</b>	<b><u>\$ 1,493,404</u></b>

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

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balance of the Governmental Fund**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2016**

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**Amounts reported for governmental activities in the statement of activities are different because:**

Net Change in Fund Balance - Total Governmental Fund	\$ (78,528)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(92,407)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in Unavailable Ad Valorem Taxes	(44,316)
Governmental funds report retirement contributions as expenditures, but pension expense on the statement of activities includes the change in net pension liability as well as the change in deferred inflows and outflows related to pensions.	(73,505)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in Compensated Absences Payable	<u>(239)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$ (288,995)</u></u></b>

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

## ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

The mission of St. Tammany Parish Fire Protection District No. 3 (the District) is to provide fire protection in that area of St. Tammany Parish (the Parish) which includes Lacombe, Louisiana. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America applicable to government entities. The following is a summary of significant accounting policies.

##### **Reporting Entity**

The District was created in 1954 by Ordinance 3017 of St. Tammany Parish. The District is governed by a Board of Commissioners, which is appointed by St. Tammany Parish. The Board consists of five Commissioners who serve two-year terms.

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of St. Tammany Parish for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability.

The District is a component unit of the Parish because the Parish appoints all members of the District's board and, as such, is financially accountable for the District. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish, the general government services provided by that governmental unit, or the governmental units that comprise the financial reporting entity.

##### **Basis of Presentation**

The accompanying financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63 in June 2011.

##### **Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

# ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### Basis of Presentation (Continued)

##### *Government-Wide Financial Statements (Continued)*

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purpose, are reported as general revenues rather than program revenues.

Separate financial statements are provided for the governmental fund.

##### *Fund Financial Statements*

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are classified as governmental. The emphasis of fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The District reports the following major governmental fund:

##### **General Fund**

The General Fund is the primary operating fund of the District. It accounts for all the financial resources except those that would be required to be accounted for in other funds, if any.

##### **Measurement Focus / Basis of Accounting**

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

## ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Measurement Focus / Basis of Accounting (Continued)**

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

The government-wide financial statements are accounted for using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, and financial position.

The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows.

Ad valorem taxes are considered to be collected when they are collected by the St. Tammany Parish Sheriff. Ad valorem taxes collected 60 days after year-end are recorded as a deferred inflow on the governmental fund balance sheet. State revenue sharing associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

##### **Budgets and Budgetary Accounting**

The Board of Commissioners adopted a budget for the General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Board. Budgeted amounts included in the accompanying financial statements include all amendments. All budgeted amounts which are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

## ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Compensated Absences**

The District's employees earn varying amounts of vacation and sick leave each year. Employees cannot accrue sick leave; however, vacation leave may be accrued, up to thirty days, and used to supplement sick leave in the event of catastrophic illness. At termination or retirement, employees may be paid for unused vacation. However, sick leave is forfeited. At December 31, 2016, the District had compensated absences of \$83,086, which are reported as a liability on the statement of net position.

##### **Cash and Cash Equivalents**

Cash includes amounts in 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.

##### **Accounts Receivable - Emergency Medical Services**

Residents, who use the emergency medical transportation service provided by the District, are charged a fee ranging from \$300 to \$746 based on the type of medical care. Mileage is billed at \$20 per mile.

##### **Accounts Receivable - Ad Valorem Taxes**

Ad valorem receivable is reported net of estimated uncollectible amounts. The allowance for uncollectibles was \$80,971, which represents 5% of the total ad valorem receivable at December 31, 2016.

##### **Capital Assets**

All capital assets are recorded at historical cost in the government-wide financial statements. Depreciation of all exhaustible capital assets is charged as an expense against their operations.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The District capitalizes for depreciation purposes equipment over \$2,500.

In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition.

# ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### Capital Assets (Continued)

The following estimated useful lives and methods are used to compute depreciation:

Buildings	30 Years	Straight-Line
Vehicles	5 - 15 Years	Straight-Line
Equipment	10 - 15 Years	Straight-Line

Depreciation expense amounted to \$105,284, for the year ended December 31, 2016.

#### Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities of the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Retirement System of Louisiana (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Estimates

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

## ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Equity Classifications

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

- a. *Net Investment in Capital Assets* - consists of capital assets including restricted assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. *Restricted Net Position* - consists of net position with constraints placed on its use either by external groups or law.
- c. *Unrestricted Net Position* - consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The District has adopted GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which significantly changed the reporting of fund balance in the balance sheets of governmental funds. In the governmental fund financial statements, fund balances are classified as follows:

1. *Restricted Fund Balance* - amounts that can be spent only for specific purposes because of the District's bond resolution, state, or federal laws, or externally imposed conditions by grantors, creditors, or citizens.
2. *Unassigned Fund Balance* - all amounts not included in other spendable classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to apply restricted net position first.

#### Note 2. Ad Valorem Taxes

Property taxes for the operations and bond debt service of the District are levied each November 1<sup>st</sup> on the assessed value listed as of the prior January 1<sup>st</sup> for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed in 2016.

Taxes are due and payable December of the following year. Property tax revenues are recognized when levied to the extent that they are determined to be collectible.

# ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3

## Notes to Financial Statements

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### Note 2. Ad Valorem Taxes (Continued)

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

	Authorized	Levied	Expiration
Maintaining, acquiring, constructing, improving, and operating fire protection and rescue services	25.00	25.00	2023
Maintaining, acquiring, constructing, improving, and operating fire protection and rescue services	9.95	9.94	2019

### Note 3. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents (book balances) at December 31, 2016:

Demand Deposits	<u>\$ 265,259</u>
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These deposits are stated at cost, which approximates market.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be recovered. The District does not have a deposit policy for custodial credit risk. As of December 31, 2016, the District had \$298,444 in deposits (collected bank balances) of which \$46,076 was exposed to custodial credit risk. However, these deposits were secured from risk by the pledge of securities owned by the fiscal agent bank.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. 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.

### Note 4. 2% Fire Insurance Tax

The District is eligible and receives a pro-rata share of the fire insurance tax collected by the State of Louisiana. The amounts received by the District are based on the population of the areas that it serves. In accordance with Louisiana Revised Statutes (LRS), such money shall be used only for the purpose of "rendering more efficient and efficacious" fire protection, as the District shall direct.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**

**Notes to Financial Statements**

**Note 5. Capital Assets**

Capital assets activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 287,350	\$ -	\$ -	\$ 287,350
Construction in Progress	-	4,386		4,386
<b>Total Capital Assets Not Being Depreciated</b>	<b>287,350</b>	<b>4,386</b>	<b>-</b>	<b>291,736</b>
<b>Capital Assets Being Depreciated</b>				
Building	911,859	-	-	911,859
Firefighting and Rescue Equipment	669,777	-	(242,985)	426,792
Communication Equipment	31,000	-	-	31,000
Other Equipment	84,378	8,491	-	92,869
Vehicles	1,033,856	-	-	1,033,856
Computers	13,644	-	-	13,644
Infrastructure	26,400	-	-	26,400
<b>Total Capital Assets Being Depreciated</b>	<b>2,770,914</b>	<b>8,491</b>	<b>(242,985)</b>	<b>2,536,420</b>
<b>Less Accumulated Depreciation for:</b>				
Building	(373,977)	(20,927)	-	(394,904)
Firefighting and Rescue Equipment	(595,329)	(27,681)	242,985	(380,025)
Communication Equipment	(30,870)	-	-	(30,870)
Other Equipment	(75,460)	(4,510)	-	(79,970)
Vehicles	(723,204)	(47,815)	-	(771,019)
Computers	(2,047)	(3,295)	-	(5,342)
Infrastructure	(880)	(1,056)	-	(1,936)
<b>Total Accumulated Depreciation</b>	<b>(1,801,767)</b>	<b>(105,284)</b>	<b>242,985</b>	<b>(1,664,066)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>969,147</b>	<b>(96,793)</b>	<b>-</b>	<b>872,354</b>
<b>Capital Assets, Net</b>	<b>\$ 1,256,497</b>	<b>\$ (92,407)</b>	<b>\$ -</b>	<b>\$ 1,164,090</b>

**Note 6. Louisiana Firefighters' Retirement System Pension**

**Plan Description and Provisions**

Substantially all employees of the District are members of the Firefighters' Retirement System of Louisiana (the System), a cost-sharing, multiple-employer, defined benefit pension plan administered by a separate board of trustees. Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251 - 11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

**Note 6. Louisiana Firefighters' Retirement System Pension (Continued)**

**Eligibility Requirements**

Any person who becomes an employee as defined in LRS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. No person who has attained age 50 or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 years shall become a member of the System. Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of the System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with the System, or for any other purpose in order to attain eligibility or increase the amount of service credit in the System.

**Retirement Benefits**

Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

**Deferred Retirement Option Plan**

After completing 20 years of creditable service at age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**

**Notes to Financial Statements**

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**Note 6. Louisiana Firefighters' Retirement System Pension (Continued)**

**Initial Benefit Option Plan**

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

**Employer Contributions**

Employer contributions are actuarially determined each year. For the plan year ended June 30, 2016, employer and employee contributions for members above the poverty line were 27.25% and 10.0%, respectively. For the plan year ending June 30, 2017, employer and employee contributions for members above the poverty line are 25.25% and 10.0%, respectively.

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

At December 31, 2016, the District reported a liability of \$2,951,047 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and was determined by actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all governments, actuarially determined. At June 30, 2016, the District's proportion was .451168%.

For the year ended December 31, 2016, the District recognized pension expense of \$331,051. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 709,236	\$ 116,814
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Changes in Proportion	104,679	-
Changes in Assumptions	24,610	-
District Contributions Subsequent to the Measurement Date	122,544	-
<b>Total</b>	<b>\$ 961,069</b>	<b>\$ 116,814</b>

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**

**Notes to Financial Statements**

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**Note 6. Louisiana Firefighters' Retirement System Pension (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

In the year ended December 31, 2017, \$122,544 reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date will be recognized. Other amounts reported as deferred inflows of resources and deferred outflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2017	\$ 172,017
2018	172,017
2019	216,566
2020	117,861
2021	28,809
2022	14,441
<b>Total</b>	<b>\$ 721,711</b>

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining net pension liability as of December 31, 2016, is as follows:

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	7 Years
Investment Return	7.50%
Inflation Rate	2.875%
Salary Increases	Vary from 15.0% in the first two years of service to 4.75% after 25 years
Cost of Living Adjustments	Only those previously granted

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

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**

**Notes to Financial Statements**

**Note 6. Louisiana Firefighters' Retirement System Pension (Continued)**

**Actuarial Assumptions (Continued)**

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

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Fixed Income	24%	1.85%
Equity	58%	6.77%
Alternatives	8%	6.67%
Other	10%	4.30%
	<u>100%</u>	<u>5.34%</u>
Inflation		<u>3.00%</u>
Expected Arithmetic Normal Return		<u>8.34%</u>

**Sensitivity to Changes in Discount Rate**

The following presents the net pension liability of the District using the discount rate of 7.50% as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
District's Proportionate Share of the Net Pension Liability	<u>\$ 4,020,563</u>	<u>\$ 2,951,047</u>	<u>\$ 2,051,603</u>

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**

**Notes to Financial Statements**

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**Note 7 Changes in Long-term Liabilities**

Changes in long-term liabilities for the year ended December 31, 2016, are as follows:

	<b>Balance, January 1, 2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance, December 31, 2016</b>
Compensated Absences	\$ 82,847	\$ 239	\$ -	\$ 83,086
Net Pension Liability	2,293,816	657,231	-	2,951,047
	<u>\$ 2,376,663</u>	<u>\$ 657,470</u>	<u>\$ -</u>	<u>\$ 3,034,133</u>

**Note 8. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2016, the District carried insurance through various commercial carriers to cover all risks of loss. The District has no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Ad Valorem Taxes	\$ 1,610,000	\$ 1,598,509	\$ 1,591,912	\$ (6,597)
Emergency Medical Services	200,000	180,000	165,276	(14,724)
Folgers Payment	60,000	60,000	60,000	-
State Revenue Sharing	50,000	50,000	49,111	(889)
2% Fire Tax	39,000	35,000	34,971	(29)
Miscellaneous	12,000	103,630	102,313	(1,317)
Earnings on Investments	300	300	1,685	1,385
Donations	500	500	-	(500)
<b>Total Revenues</b>	<b>1,971,800</b>	<b>2,027,939</b>	<b>2,005,268</b>	<b>(22,671)</b>
<b>Expenditures</b>				
Public Safety - Fire Protection				
Salaries	1,063,320	1,145,320	991,947	153,373
Retirement	276,000	261,923	257,546	4,377
Health Insurance	150,000	160,000	184,503	(24,503)
Insurance	178,480	83,480	179,229	(95,749)
Professional Fees	75,000	120,500	127,720	(7,220)
Payroll Taxes	3,000	1,200	85,772	(84,572)
Vehicles - Repairs	10,000	50,000	55,093	(5,093)
Communication	15,000	15,000	34,834	(19,834)
Utilities	23,000	23,000	22,570	430
Repairs	18,000	20,000	18,352	1,648
Office Supplies	15,900	12,300	13,439	(1,139)
Turn Out Gear	13,000	13,000	10,578	2,422
Supplies	12,000	7,000	9,684	(2,684)
Vehicles - Fuel	10,000	9,000	7,727	1,273
Training	6,000	6,500	4,527	1,973
Miscellaneous	4,800	12,000	3,646	8,354
Per Diem	4,000	3,500	3,400	100
Advertisement	1,300	3,000	3,157	(157)
Uniforms	5,000	2,500	2,816	(316)
Public Safety - Emergency Medical Services				
Ambulance Repairs	16,000	37,000	29,425	7,575
Medical Director	12,000	12,000	12,000	-
Medical Supplies	19,000	18,000	6,981	11,019
Ambulance Fuel	8,000	5,000	5,587	(587)
EMS Training	3,000	-	396	(396)
Capital Outlay - Equipment	30,000	6,716	12,867	(6,151)
<b>Total Expenditures</b>	<b>1,971,800</b>	<b>2,027,939</b>	<b>2,083,796</b>	<b>(55,857)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(78,528)</b>	<b>\$ (78,528)</b>
<b>Fund Balance, Beginning of Year</b>			<b>1,571,932</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 1,493,404</b>	

See independent auditor's report.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**Schedule of District's Proportionate Share of the**  
**Net Pension Liability**  
**For the Year Ended December 31, 2016**

	<b>2016</b>	<b>2015</b>
District's Portion of the Net Pension Liability	0.004512%	0.425008%
District's Proportionate Share of the Net Pension Liability	\$ 2,951,047	\$ 2,293,816
District's Covered-Employee Payroll	\$ 980,537	\$ 974,191
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	300.96%	235.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.16%	72.45%

\* The amounts presented have a measurement date of the previous fiscal year.

\*\* GASB 68 requires this schedule to show information for 10 years. The District has implemented GASB 68 in its 2015 fiscal year. Therefore, additional years will be displayed as they become available.

See independent auditor's report.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**Schedule of District's Contributions**  
**For the Year Ended December 31, 2016**

	<b>2016</b>	<b>2015</b>
Contractually Required Contribution	\$ 257,546	\$ 265,467
Contributions in Relation to the Contractually Required Contribution	<u>(257,546)</u>	<u>(265,467)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	<u>\$ 980,537</u>	<u>\$ 974,191</u>
Contributions as a Percentage of Covered-Employee Payroll		
January 1 to June 30	27.25%	29.25%
July 1 to December 31	25.25%	27.25%

See independent auditor's report.

## **OTHER SUPPLEMENTARY INFORMATION**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**Schedule of Governing Board**  
**For the Year Ended December 31, 2016**

<b>Board of Commissioners</b>	<b>Compensation</b>
Raymond Batiste P. O. Box 672 Lacombe, LA 70445 (985) 640-5298 Term Expires: December 31, 2019	\$600
Danny MacGregor, Chairman 59218 Pine Bay Lane Lacombe, LA 70445 (985) 882-7655 Term Expires: December 31, 2019	\$700
A. J. Montalbano 61261 Anchorage Drive Lacombe, LA 70445 (985) 882-7051 Term Expires: December 31, 2015	\$650
Leo Casanave, Secretary P. O. Box 105 Lacombe, LA 70445 (985) 882-7460 Term Expires: December 31, 2019	\$700
Rock M. Petersen, 59531 Sue Drive Lacombe, LA 70445 (985) 882-6462 Term Expires: December 31, 2015	\$ 50
Murphy Arsenaux, Vice-Chairman 62214 Graci Avenue Lacombe, LA 70445 (985) 882-6980 Term Expires: December 31, 2019	\$600
Jeanne Hutchinson, Treasurer 28498 Lake Drive South Lacombe, LA 70445 (985) 285-5824 Term Expires: December 31, 2019	\$100

See independent auditor's report.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**Schedule of Compensation, Benefits and Other Payments**  
**to Agency Head**  
**For the Year Ended December 31, 2016**

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**Agency Head**  
**Chief Patrick F. Sicard**

<b>Purpose</b>	<b>Amount</b>
Salary *	\$96,732
Benefits - Insurance	\$12,830
Benefits - Retirement **	\$25,301
Benefits - Other	
Car Allowance	
Vehicle Provided by Government	
Per Diem	
Reimbursements	
Travel	
Registration Fees	
Conference Travel	
Continuing Professional Education Fees	
Housing	
Unvouchered Expenses	
Special Meals	
Membership in Prof. Organization	

\* This amount is gross, including State Supplemental pay of \$6,000 annually.

\*\* This is the employer portion of the retirement contribution.

See independent auditor's report.

**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**

Independent Auditor's Report

To the Board of Commissioners  
St. Tammany Parish Fire Protection District No. 3  
Lacombe, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States, the accompanying financial statements of the governmental activities and the major funds of St. Tammany Parish Fire Protection District No. 3 (the District), a component unit of St. Tammany Parish, Louisiana, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 14, 2017.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 or deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA  
June 14, 2017

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**Schedule of Findings and Responses**  
**For the Year Ended December 31, 2016**

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**Part I - Summary of Auditor's Results**

Financial Statements

- |  |            |
|--|------------|
| 1. Type of auditor's report issued:  | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified?  | No         |
| c. Noncompliance material to the financial statements?                         | No         |
| d. Other Matters identified?   | Yes        |

Federal Awards

Not applicable.

**Part II - Findings Related to the Financial Statements**

None.

**Part III - Compliance and Other Matters**

Compliance

None.

Other Matter

**2016-001 Act 774 Agreed-Upon Procedures Report**

In accordance with Act 774 of the 2014 Regular Legislative Session, the Louisiana Legislative Auditor issued an agreed-upon procedures report for the year ended December 31, 2016. That report included findings and recommendations for (1) board oversight, (2) credit cards and fuel cards, (3) open lines of credit, and (4) prohibited purchases. The report is available for inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at the Louisiana Legislative Auditor's website.