

ST. LANDRY PARISH FIRE PROTECTION  
DISTRICT NO. 1

FINANCIAL REPORT

DECEMBER 31, 2017

## CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statements of net position	6
Statement of activities	7
FUND FINANCIAL STATEMENTS	
Balance Sheet - governmental fund	9
Reconciliation of the governmental funds balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balance - governmental fund	11
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	12
Notes to basic financial statements	13 - 30
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule - general fund	32
Schedule of employer's proportionate share of net pension liability	33
Schedule of employer's pension contributions	34
Notes to required supplementary information	35
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 <i>GOVERNMENT AUDITING STANDARDS</i>	36-37
Schedule of findings and responses	38
Schedule of prior year findings	39
OTHER SUPPLEMENTARY INFORMATION	
Schedule of compensation, benefits, and other payments to agency head or chief executive officer	40

# VIGE, TUJAGUE NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2<sup>ND</sup> STREET  
P. O. BOX 1006  
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.  
FRANK G. TUJAGUE, C.P.A.  
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:  
337-457-9324  
FAX:  
337-457-8743

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
St. Landry Parish Fire Protection District No. 1  
Krotz Springs, Louisiana

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

We have audited the accompanying financial statements of the governmental activities of St. Landry Parish Fire Protection District No. 1 as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the St. Landry Parish Fire Protection District No. 1, as of December 31, 2017, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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

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

### ***Supplementary and Other Information***

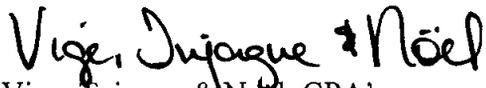
Our audit was conducted for the purpose of forming an opinion on the financial statements of the St. Landry Parish Fire Protection District No. 1. The accompanying schedule of compensation, benefits, and other payments to agency head, as listed in the table of contents, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of compensation, benefits, and other payments to agency head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of

compensation, benefits, and other payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2018, on our consideration of the St. Landry Parish Fire Protection District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Landry Parish Fire Protection District No. 1's internal control over financial reporting and compliance.



Vige, Tujague & Noël, CPA's  
Eunice, Louisiana  
May 17, 2018

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS  
(GWFS)

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1  
 Statements of Net Position  
 December 31, 2017

	2017
<b>ASSETS</b>	
Cash and equivalents	\$ 1,773,952
Property tax receivable	1,057,697
Other receivable	2,000
Prepaid insurance	37,429
Capital assets, net	1,374,767
Total assets	4,245,845
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	275,773
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	21,285
Current portion of bonds payable	40,000
Total current liabilities	61,285
Noncurrent Liabilities:	
Bonds payable	35,292
Net pension liability	900,846
Total noncurrent liabilities	936,138
Total liabilities	997,423
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	89,298
Net Position:	
Investments in capital, net of related debt	1,299,475
Unrestricted	2,135,422
Total net position	\$ 3,434,897

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1  
 Statements of Activities  
 For the Year Ended December 31, 2017

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Fees, Fines, and Charges for Services	Capital and Operating Grants	Governmental Activities
Governmental activities:				
General government				
Public safety	\$ 1,063,030	\$ -	\$ -	\$ (1,063,030)
Total governmental activities	<u>\$ 1,063,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,063,030)</u>

General revenues:	
Taxes	
Property taxes	1,043,812
Fire insurance tax	8,609
State supplemental pay	42,000
Pension subsidy	33,539
Nonemployer pension contributions	39,779
Miscellaneous	2,122
Interest earnings	2,399
Dividend from LWCC	32,703
Total general revenues	<u>1,204,963</u>
Change in net position	141,933
Net position - December 31, 2016	<u>3,292,964</u>
Net position - December 31, 2017	<u>\$ 3,434,897</u>

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

FUND FINANCIAL STATEMENTS

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Balance Sheet

Governmental Fund

December 31, 2017

	<u>2017</u>
ASSETS	
Cash and cash equivalents	\$ 1,773,952
Property taxes receivable, net	1,057,697
Other receivable	<u>2,000</u>
Total assets	<u><u>\$ 2,833,649</u></u>
LIABILITIES AND FUND BALANCES	
Deferred inflows of resources:	
Unavailable revenues - property taxes	<u>\$ 5,586</u>
Total deferred inflows of resources	<u>5,586</u>
Liabilities:	
Accounts payable	3,371
Accrued liabilities	<u>17,914</u>
Total liabilities	<u>21,285</u>
Fund balances:	
Unassigned	<u>2,806,778</u>
Total fund balances	<u>2,806,778</u>
Total liabilities and fund balances	<u><u>\$ 2,833,649</u></u>

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2017

Total fund balance for governmental fund at December 31, 2017		\$ 2,806,778
Total net assets reported for governmental activities in the statement of net position is different because:		
The statement of net position reports receivables at their net value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.		
Property tax		5,586
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Cost of capital assets at December 31, 2017	\$ 2,660,142	
Less: Accumulated depreciation	<u>(1,285,375)</u>	1,374,767
Bond issue costs	4,843	
Less: Accumulated amortization	<u>(135)</u>	4,708
Long-term liabilities at December 31, 2017		
Bond Payable		(80,000)
Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds		(714,371)
Prepaid insurance		<u>37,429</u>
Total net position of governmental activities at December 31, 2017		<u>\$ 3,434,897</u>

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1  
Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Governmental Fund  
Year Ended December 31, 2017

	2017
Revenues:	
Taxes:	
Ad valorem	\$ 1,065,700
Intergovernmental:	
Fire insurance rebate	8,609
State supplemental pay	42,000
Pension subsidy	33,539
Interest earnings	2,399
Dividend from LWCC	32,703
Miscellaneous	2,122
	1,187,072
Total Revenues	1,187,072
Expenditures:	
Current - public safety	
Board per diem	4,640
Salaries	390,552
Benefits	318,128
Equipment costs	50,664
Occupancy costs	28,520
Insurances	52,841
Office and administration	30,239
Rescue runs, standby and volunteer	9,920
Capital outlay	15,416
Debt service:	
Principal	40,000
Interest	2,300
	943,220
Total Expenditures	943,220
Net change in fund balance	243,852
Fund balance, beginning	2,562,926
Fund balance, ending	\$ 2,806,778

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1  
 Reconciliation of the Statement of Revenues, Expenditures, and  
 Changes in Fund Balances of Governmental Funds to  
 the Statement of Activities  
 For the Year Ended December 31, 2017

Total net changes in fund balance at December 31, 2017 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 243,852
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.		
Property tax		(21,888)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 15,416	
Depreciation expense for the year ended December 31, 2017	<u>(91,082)</u>	(75,666)
Repayment of long-term debt principal is considered an expenditure in the governmental funds, but their repayment reduces long-term liabilities in the statement of net position.		
		40,000
Bond issue cost are included in the change in net position as they are amortized over the life of the debt. They are included in Fund Balance when due.		
		(135)
Net effect of pension liability recognition		
		(44,710)
Difference in prepaid insurance between modified accrual basis and accrual basis		
		<u>480</u>
Total changes in net position at December 31, 2017 per Statement of Activities		<u>\$ 141,933</u>

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

# ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

## Notes to Financial Statements

### **INTRODUCTION**

The entity being reported on is the St. Landry Parish Fire Protection District No. 1, which is a component unit of the St. Landry Parish Government. The financial report includes all funds over which the District exercises oversight responsibility. This responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The District was created by the St. Landry Parish Police Jury as authorized by Louisiana Revised Statute 40:1496. The District is governed by a Board of Commissioners, which consists of five commissioners. Two commissioners are appointed by the parish governing authority, two by the governing body of the municipal corporation in the District, and the fifth is selected by the other four members and serves as chairman.

The District was established for the purpose of acquiring, maintaining, and operating buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other things necessary to provide proper fire prevention and control to the property within the District.

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Government-wide and Fund Financial Statements**

The government financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the St. Landry Parish Fire Protection District No. 1. 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.

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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

## ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

### Notes to Financial Statements

#### **B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The St. Landry Parish Fire Protection District No. 1 reports the following governmental fund:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

#### **C. Deposits and Investments**

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the St. Landry Parish Fire Protection District No. 1's investment policy allow the entity to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. Investments are reported at fair value.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Note to Financial Statements

**D. Receivables and Payables**

The District's property tax is levied each November 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on November 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the Tax Assessor of St. Landry Parish.

The millage assessed by the District in 2017 was 21.95 mills.

Uncollectible amounts due for property tax receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible accounts totaled \$9,086 at December 31, 2017.

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

There were no interfund receivables/payables at December 31, 2017.

**E. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The St. Landry Parish Fire Protection District No. 1 capitalizes all capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings and building improvements	15-60 years
Furniture and fixtures	5-10 years
Equipment and fire trucks	5-60 years

## ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

### Notes to Financial Statements

#### **E. Capital Assets - Continued**

Interest costs incurred on fixed assets, if any, are not capitalized.

#### **F. Compensated Absences**

No accrual has been made for vacation or sick pay due to the insignificance of the amounts involved.

#### **G. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life 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.

#### **H. Equity Classifications**

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

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

# ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

## Notes to Financial Statements

### H. Equity Classifications - Continued

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

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

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

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

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers the amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

# ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

## Notes to Financial Statements

### **I. Deferred Outflows of Resources and Deferred Inflows of Resources**

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

### **J. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Budget Information**

The District adopts an annual budget for the General Fund. The annual budget is prepared on the GAAP basis of accounting. The Board adopts its budget prior to the beginning of the fiscal year. Any revisions that alter total revenues or expenditures must be approved by the Board. Prior to year-end, the Board adopts an amended budget approving such additional revenues or expenditures. Any budgetary appropriations lapse at the end of each fiscal year.

The District adopted a budget for calendar year 2017.

The St. Landry Parish Fire Protection District No. 1 did not have actual expenditures over budgeted appropriations or actual revenues under budgeted appropriations for the year ended December 31, 2017 by greater than 5%.

The Fire District did not have a deficit fund balance at December 31, 2017.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

**3. CASH AND INVESTMENTS**

At December 31, 2017, the Fire District had cash, interest-bearing deposits, and investments as follows:

	<u>Bank</u> <u>Balance</u>	<u>Book</u> <u>Balance</u>
Demand deposits		
Non-interest-bearing- St Landry Bank	\$ 1,399,089	\$ 1,384,465
Interest-bearing deposits- St. Landry Bank	359,690	359,690
LAMP	29,297	29,297

Under state law, these deposits in financial institutions must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must, at all times, be equal to the amount on deposit with the bank. At December 31, 2017, deposits in financial institutions were fully secured by federal deposit insurance in the amount of \$250,000, and the market value of securities pledged in the District's name in the amount of \$2,256,647.

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

In accordance with GASB Codification Section 150.165, the investment in LAMP 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 thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.; a nonprofit corporation organized under the laws of the state of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. 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.

# ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

## Notes to Financial Statements

### 3. CASH AND INVESTMENTS - (Continued)

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the United States Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value.

The fair value of the District's investment in LAMP is the same as the value of the pooled shares. Normally, investments are required to be reported at fair value. For purposes of determining participants' shares, investments are valued at amortized cost. Investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

**4. CAPITAL ASSETS**

Capital asset balances and activity for the year ended December 31, 2017 are as follows:

	Balance <u>12/31/2016</u>	Additions	Deletions	Balance <u>12/31/2017</u>
Capital assets not being depreciated:				
Land	\$ 74,000	\$ -	\$ -	\$ 74,000
Other capital assets:				
Land improvements	2,313	-	-	2,313
Buildings	844,977	-	-	844,977
Equipment	1,697,077	15,416	-	1,712,493
Furniture and fixtures	19,494	-	-	19,494
Buildings, land and improvements	6,865	-	-	6,865
Totals	<u>2,644,726</u>	<u>15,416</u>	<u>-</u>	<u>2,660,142</u>
Less accumulated depreciation				
Land improvements	1,670	116	-	1,786
Buildings	287,556	19,478	-	307,034
Equipment	885,472	69,927	-	955,399
Furniture and fixtures	17,823	1,103	-	18,926
Buildings, land and improvements	1,772	458	-	2,230
Total accumulated depreciation	<u>1,194,293</u>	<u>91,082</u>	<u>-</u>	<u>1,285,375</u>
Net capital assets	<u>\$ 1,450,433</u>	<u>\$ (75,666)</u>	<u>\$ -</u>	<u>\$ 1,374,767</u>

**5. ON-BEHALF PAYMENTS**

The State of Louisiana paid the District's firefighters supplemental pay of \$42,000. These amounts are included in the accompanying financial statements as revenues and expenditures.

**6. COMPENSATION OF BOARD MEMBERS**

Members of the District's Board of Commissioners receive a per diem of \$80 per meeting attended. Total Board per diem paid for the year ended December 31, 2017 is as follows:

Donald Pitre	\$ 960
James A Cox	800
Jeff Morrow	960
Juanita W Reed	960
Shaun Dupre	960
Total	<u>\$ 4,640</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

**7. RISK MANAGEMENT**

The District is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year. Settlements have not exceeded insurance coverage during the current fiscal year and the two preceding fiscal years. Insurance coverage appears adequate for the fiscal year ended December 31, 2017.

**8. EVALUATION OF SUBSEQUENT EVENTS**

The District has evaluated subsequent events through May 17, 2018, the date which the financial statements were available to be issued.

**9. LONG TERM DEBT**

On November 8, 2012, the District incurred debt in the amount of \$280,000, in the form of Revenue Bonds, Series 2012. The purpose of this debt is for the construction and acquisition of improvements, and extensions and replacements to the fire substation, including appurtenant equipment, accessories, replacements and additions to such substation, and to pay costs of issuance of the related financing.

The following is a summary of debt transactions of the St. Landry Parish Fire Protection District No. 1 for the year ended December 31, 2017:

<u>Payable at</u> <u>12/31/2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Payable at</u> <u>12/31/2017</u>
<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 80,000</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

9. LONG TERM DEBT - (Continued)

Bonds payable at December 31, 2016 is comprised of the following individual issues:

\$40,000 Series 2012 Revenue Bonds dated 11/08/12; retired annually, bearing interest at 1.90%, maturing on 09/01/2018	40,000
\$40,000 Series 2012 Revenue Bonds dated 11/08/12; retired annually, bearing interest at 2.15%, maturing on 09/01/2019	<u>40,000</u>
Total Bonds Payable	80,000
Less Current Portion	40,000
Less Bond Issue Costs, net	<u>4,708</u>
Net Bonds Payable	<u><u>\$ 35,292</u></u>

On April 7, 2015, the FASB issued Accounting Standard Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount.

Interest expense totaled \$2,300 and is included in governmental activities.

The annual requirements to amortize all debt outstanding as of December 31, 2017, including interest payments are as follows:

Year Ending December 31,	Total	Principal Payments	Interest Payments
2018	41,641	40,000	1,641
2019	40,877	40,000	877
	<u><u>\$ 82,518</u></u>	<u><u>\$ 80,000</u></u>	<u><u>\$ 2,518</u></u>

## ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

### Notes to Financial Statements

#### 10. ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the year ended December 31, 2015, the following statements were implemented: GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68. These statements changed the accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. The following GASB statement was also effective but did not impact the financial statements of St. Landry Parish Fire Protection District No. 1: GASB Statement 69, *Government Combinations and Disposals of Government Operations*.

#### 11. PENSION PLAN

Substantially all of the employees of the St. Landry Parish Fire Protection District No. 1 are members of the Firefighters Retirement System.

##### Firefighters' Retirement System

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

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

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

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

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

# ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

## Notes to Financial Statements

### **11. PENSION PLAN - Continued**

reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

#### Retirement Benefits

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

If employees terminate before rendering 12 of service, they forfeit the right to receive the portion of their accumulated plan benefits in the form of a joint and survivor annuity.

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

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

#### Disability Benefits

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

#### Death Benefits

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

#### Deferred Retirement Option Plan

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

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

**11. PENSION PLAN - Continued**

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

Initial Benefit Option Plan

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

Cost of Living Adjustment (COLAs)

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

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The District is required to contribute 25.25 percent from January through June and 26.50 percent from July through December, of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contribution to the System for the years ending December 31, 2017 and 2016 were \$95,921 and \$94,108, respectively, equal to the required contributions for the year.

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

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

At December 31, 2017, the District reported a liability of \$900,846 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

**11. PENSION PLAN - Continued**

an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the FRS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District's proportion was 0.157165%, which was a decrease of 0.001721% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2017, the District recognized pension expense of \$180,410 which includes employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

Non-employer contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue. The District recognized \$39,779 of non-employer contribution revenue.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (50,237)
Changes in assumptions	37,678	(215)
Net difference between projected and actual earnings on pension plan investments	77,499	10,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	111,954	(48,846)
Employer contributions subsequent to measurement date	48,642	-
Total	<u>\$ 275,773</u>	<u>\$ (89,298)</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

**11. PENSION PLAN - Continued**

The District reported a total of \$48,642 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017, which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

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

Year Ended June 30:	FRS
2018	\$ 56,834
2019	71,633
2020	37,253
2021	(38,684)
2022	(3,497)
2023	3,915
Total	<u>\$ 127,454</u>

**Actuarial Assumptions**

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

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

**11. PENSION PLAN - Continued**

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

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.25%. The long term expected nominal rate of return was 8.29% as of June 30, 2016. Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2017, are summarized in the following table:

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

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

**11. PENSION PLAN - Continued**

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

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

FRS	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Rates	6.50%	7.50%	8.50%
NPL	\$ 1,294,481	\$ 980,846	\$ 569,939

The components of the net pension liability of the System's employers as of June 30, 2016 and 2017, are as follows:

	<u>2016</u>	<u>2017</u>
Total Pension Liability	\$ 3,192,793	\$ 3,405,579
Plan Fiduciary Net Position	<u>(2,176,049)</u>	<u>(2,504,733)</u>
Employers Net Pension Liability	<u>\$ 1,016,744</u>	<u>\$ 900,846</u>
	<u>2016</u>	<u>2017</u>
Total Pension Liability	\$ 3,192,793	\$ 3,405,579
Plan Fiduciary Net Position	<u>(2,176,049)</u>	<u>(2,504,733)</u>
Employers Net Pension Liability	<u>\$ 1,016,744</u>	<u>\$ 900,846</u>

**13. PENDING LITIGATION**

There is no pending litigation as of December 31, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1  
Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Budgetary Basis) and Actual - General Fund  
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes:				
Ad valorem	\$ 1,079,815	\$ 1,064,618	\$ 1,065,700	\$ 1,082
Intergovernmental:				
State revenue sharing	10,500	-	-	-
Fire insurance rebate	8,100	8,609	8,609	-
State supplemental pay	42,000	42,000	42,000	-
Pension subsidy	-	-	33,539	33,539
Interest earnings	1,300	1,715	2,399	684
Dividend from LWCC	-	32,703	32,703	-
Miscellaneous	2,000	2,121	2,122	1
Total Revenues	<u>1,143,715</u>	<u>1,151,766</u>	<u>1,187,072</u>	<u>35,306</u>
Expenditures:				
Current - public safety				
Board per diem	4,800	4,640	4,640	-
Salaries	389,500	386,350	390,552	(4,202)
Benefits	301,650	333,591	318,128	15,463
Equipment costs	66,600	48,125	50,664	(2,539)
Occupancy costs	23,500	29,070	28,520	550
Insurances	50,000	45,000	52,841	(7,841)
Office and administration	36,100	29,972	30,239	(267)
Rescue runs, standby and volunteer	12,000	9,950	9,920	30
Capital outlay	100,000	17,600	15,416	2,184
Debt Service:				
Principal	40,000	40,000	40,000	-
Interest	2,880	2,300	2,300	-
Total Expenditures	<u>1,027,030</u>	<u>946,598</u>	<u>943,220</u>	<u>3,378</u>
Net change in fund balance	<u>\$ 116,685</u>	<u>\$ 205,168</u>	243,852	<u>\$ 31,928</u>
Fund balance, beginning			<u>2,562,926</u>	
Fund balance, ending			<u>\$ 2,806,778</u>	

See Notes to Required Supplementary Information.

ST. LANDRY FIRE PROTECTION DISTRICT NO. I

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

	Fiscal Year	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of It's Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
FRS	2017	0.157165%	\$ 900,846	\$ 369,049	244.10%	73.55%
FRS	2016	0.155444%	\$ 1,016,744	\$ 358,541	283.57%	68.15%
FRS	2015	0.162251%	\$ 875,687	\$ 344,970	253.84%	72.44%
FRS	2014	0.170915%	\$ 760,557	\$ 339,880	223.77%	76.01%

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

ST. LANDRY FIRE PROTECTION DISTRICT NO. III

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

	Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
FRS	2017	\$ 95,921	\$ 95,921	\$ -	\$ 369,049	25.99%
FRS	2016	\$ 94,108	\$ 94,108	\$ -	\$ 358,541	26.24%
FRS	2015	\$ 97,982	\$ 97,982	\$ -	\$ 344,970	28.40%
FRS	2014	\$ 97,713	\$ 97,713	\$ -	\$ 339,880	28.75%

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1 Budgets and Budgetary Accounting

The budget for General Fund operations is adopted by the St. Landry Parish Fire Protection District No. 1 for its appropriations with its budgetary regulations and on a basis consistent with generally accepted accounting principles.

Note 2 Pension Plans

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

**VIGE, TUJAGUE  NOEL**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2<sup>ND</sup> STREET  
P. O. BOX 1006  
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.  
FRANK G. TUJAGUE, C.P.A.  
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:  
337-457-9324  
FAX:  
337-457-8743

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

To the Board of Commissioners  
St. Landry Parish Fire Protection District No. 1  
Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of St. Landry Parish Fire Protection District No. 1, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise St. Landry Parish Fire Protection District No. 1's basic financial statements, and have issued our report thereon dated May 17, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered St. Landry Parish Fire Protection District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Landry Parish Fire Protection District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Landry Parish Fire Protection District No. 1's internal control.

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

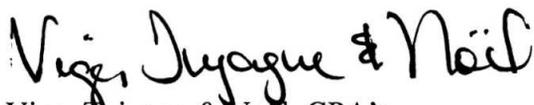
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies 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 St. Landry Parish Fire Protection District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



Vige, Tujague & Noel, CPA's  
Eunice, Louisiana  
May 17, 2018

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1  
Schedule of Findings and Responses  
Year Ended December 31, 2017

We have audited the financial statements of St. Landry Parish Fire Protection District No. 1 as of and for the year ended December 31, 2017 and have issued our report dated May 17, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2017 resulted in an unmodified opinion.

**Section I Summary of Auditors' Reports**

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

Internal Control

Material Weaknesses  Yes  No Significant Deficiencies  Yes  None reported

Compliance

Compliance Material to Financial Statements  Yes  No

No separate management letter was issued.

**Section II Financial Statement Findings**

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

**Section III Internal Control and Compliance Material to Federal Awards**

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1  
Schedule of Prior Year Findings  
Year Ended December 31, 2017

**I Internal Control and Compliance Material to the Financial Statements**

None

**II Internal Control and Compliance Material to Federal Awards**

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

**III Management Letter**

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1  
Schedule of Compensation, Benefits and Other Payments  
to Agency Head or Chief Executive Officer  
Year Ended December 31, 2017

Agency Head Name: Charles Watson  
Service Period: 12 months

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 72,073
State supplemental pay	6,000
Benefits - insurance	11,028
Benefits - retirement	20,198
Total	<u>\$ 109,299</u>

ST. LANDRY PARISH FIRE PROTECTION  
DISTRICT NO. 1  
STATEWIDE AGREED-UPON PROCEDURES REPORT  
YEAR ENDED DECEMBER 31, 2017

**VIGE, TUJAGUE  NOEL**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2<sup>ND</sup> STREET  
P. O. BOX 1006  
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.  
FRANK G. TUJAGUE, C.P.A.  
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:  
337-457-9324  
FAX:  
337-457-8743

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Management and Board of Commissioners of the St. Landry Parish Fire Protection District No. 1 and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget  
*The entity does not have written policies and procedures addressing budgeting.*
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase

orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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

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

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

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

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

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

*The entity has written policies and procedures addressing payroll.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

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

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

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

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

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

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*The entity does not have written policies and procedures addressing ethics.*

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

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

***Board (or Finance Committee, if applicable)***

---

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

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

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

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

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

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

*There was no deficit spending noted.*

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

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

### ***Bank Reconciliations***

---

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

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

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

- a) Bank reconciliations have been prepared;

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

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

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

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

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

## **Collections**

---

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

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

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

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

*Written documentation was obtained and addresses the functions noted above. The chief collects all revenues and the fee accountant makes deposits, records the transactions, and reconciles the bank statements.*

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

*Written documentation was obtained and addresses the functions noted above. All revenue receipts are in the form of a check from the Sheriff for ad valorem receipts. The fee accountant makes deposits, records the transactions and prepares the monthly bank reconciliations.*

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

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

*Collection documentation was obtained and deposits are not made within one day of collection. We were unable to determine the number of days from receipt to deposit. All revenue receipts are in the form of a check received from the Sheriff for ad valorem collections. The chief collects all checks and gives them to the fee accountant at the monthly board meeting. The fee accountant makes the deposit the following day.*

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

*Daily cash collections are completely supported by collection documentation.*

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

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

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

---

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

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

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement

population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

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

*Examined supporting documentation for each of the 25 disbursements selected and found that there is no purchase order system in use. The chief initiates all nonroutine purchases and initials the invoice for approval. The fee accountant writes checks from approved invoices and presents them to the board for approval at the monthly meetings. After the board makes a motion to approve the payment, checks are signed by the chief and a board member prior to issuance.*

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

*Examined supporting documentation for each of the 25 disbursements selected and found that purchases are initiated and approved by the same person. The chief initiates all nonroutine purchases and initials the invoice for approval. The fee accountant writes checks from approved invoices and presents them to the board for approval at the monthly meetings. After the board makes a motion to approve the payment, checks are signed by the chief and a board member prior to issuance.*

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

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

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

*The entity does not have written policies and procedures addressing the functions noted above; however, the fee accountant writes all checks and does not have signatory authority.*

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

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

*the exception of the Chief; however, all checks require two signatures and are approved at the monthly board meetings.*

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 observation noted no exceptions.*

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

*No signature stamp or signature machine is utilized.*

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

---

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

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

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

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

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

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

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

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

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

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

### ***Travel and Expense Reimbursement***

---

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

*Obtained management's representation that there were no travel and related expense reimbursements in the current fiscal year.*

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](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

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

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

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

*No applicable.*

- b) Report whether each expense is supported by:

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

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

## ***Contracts***

---

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

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

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

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

*Not applicable.*

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

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

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

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

---

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

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

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

*No exceptions noted.*

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

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

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

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

termination payments were made in strict accordance with policy and/or contract and approved by management.

*There were no terminations during the fiscal year.*

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*No exceptions noted.*

### ***Ethics (excluding nonprofits)***

---

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

*Ethics compliance documentation was maintained by the entity on those employees selected.*

*No exceptions noted.*

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

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

### ***Debt Service (excluding nonprofits)***

---

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

*There was no debt issued during the fiscal period.*

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

*No exceptions noted.*

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

*Not applicable.*

**Other**

---

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

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

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

*Required notice was posted on the entity's premises.*

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

*No exceptions noted.*

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

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

*Vige, Tujague & Noël*

Vige, Tujague & Noel

Eunice, Louisiana

May 17, 2018

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

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

Management Response to Item:

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

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

4b

A member of the board will initial the reconciliations to provide evidence of review.

6c

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

9a, 9b, 9c, 11

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



Charles Watson, Fire Chief