

PARISHWIDE FIRE PROTECTION DISTRICT



**EAST FELICIANA PARISH
STATE OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

JUNE 30, 2016

**PARISHWIDE FIRE PROTECTION DISTRICT
 EAST FELICIANA PARISH, LOUISIANA
 BASIC FINANCIAL STATEMENTS
 WITH SUPPLEMENTARY INFORMATION
 JUNE 30, 2016**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental-type activities of the Parish-wide Fire Protection District of East Feliciana Parish, Louisiana (a component unit of the East Feliciana Parish Police Jury) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Parish-wide Fire Protection District of East Feliciana Parish, Louisiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental-type activities of the Parish-wide Fire Protection District of East Feliciana Parish, Louisiana, a component unit of the East Feliciana Parish Police Jury, as of June 30, 2016,

and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

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

Other Matters – Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parish-wide Fire Protection District of East Feliciana Parish, Louisiana's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplemental information 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 basic financial statements of to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, benefits and other payments to agency head 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*, I have also issued my report dated April 19, 2017 on my consideration of the Parish-wide Fire Protection District of East Feliciana Parish, Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Parish-wide Fire Protection District of East Feliciana Parish, Louisiana's internal control over financial reporting and compliance.



William P. Gaines, Jr., CPA
A Professional Accounting Corporation
Zachary, LA
April 19, 2017

REQUIRED SUPPLEMENTARY INFORMATION
(PART 1 OF 2)

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34. Its purpose is to provide an overview of the financial activities of the District based on currently known facts, decisions and/or conditions.

HIGHLIGHTS OF THE PAST YEAR

- The District's net position increased as a result of good cash management and futuristic planning during the year ended June 30, 2016.
- The District evaluated its capital needs and has identified a five-year plan for capital additions, major renovations and debt service.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplementary information contained in this report provided for additional information.

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the District from an economic resource measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the District's overall financial status. They include a statement of net position and statement of activities.

Statement of Net Position. This statement presents information on all of the District's assets, deferred outflows of resources, liabilities and inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or not.

Statement of Activities. This statement presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the District's financial reliance on general revenues.

The government-wide financial statements can be found on pages 10-12 of this report.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one category of funds: governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the District's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Governmental funds of the District include a general fund that is used to account for all transactions not required to be accounted for separately and a debt service fund to account for the accumulation of resources to pay principal and interest on long-term debt.

The fund financial statements can be found on pages 13-16 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The index of the notes is found on page 18 with the actual notes beginning immediately afterwards.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparison following the notes to the financial statements. This schedule indicates the District's compliance with its adopted and final revised budgets.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

FINANCIAL ANALYSIS OF THE DISTRICT

Net position is an indicator of the District's financial position from year to year. A summary of net position follows.

**SUMMARY OF NET POSITION
Governmental Activities**

	<u>2016</u>	<u>2015</u>
Assets		
Current assets	\$ 1,693,434.09	\$ 1,630,053.62
Capital assets, net	<u>2,483,956.66</u>	<u>2,140,464.06</u>
Total Assets	4,177,390.75	3,770,517.68
 Net Position		
Net investment in capital assets	2,483,956.66	2,140,464.06
Unrestricted	<u>1,693,434.09</u>	<u>1,630,053.62</u>
Net Position	<u>4,177,390.75</u>	<u>3,770,517.68</u>

Net position increased by \$406,873 or 10.8% over the previous year.

A summary of the changes in net position follows.

**SUMMARY OF CHANGES IN NET POSITION
Governmental Activities**

	<u>2016</u>	<u>2015</u>
Revenues		
Operating grants/contributions	\$212,819.06	\$ 57,500.00
General revenues:		
Property taxes	822,898.94	851,577.63
Fire protection fees	470,087.47	367,800.41
Interest earned	5,112.97	2,273.93
Other revenues	<u>45,456.76</u>	<u>46,999.76</u>
Net Revenues	1,343,556.14	1,326,151.73
 Expenses		
General government	<u>1,149,502.13</u>	<u>1,185,953.30</u>
 Change in net position	 <u>406,873.07</u>	 <u>140,194.43</u>

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

BUDGETARY HIGHLIGHTS

The District's general fund received less than anticipated - \$130,986 (11.3%). At the same time, its expenditures were less than budgeted by \$95,995 (6.88%). Other financing sources provided \$48,789 more than budgeted amounts. Overall, the District realized a positive variance of \$83,780.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The District's investment in capital assets, net of accumulated depreciation and related debt at June 30, 2016 and 2015 was \$2,483,957 and \$2,140,464, respectively.

Capital assets at year-end are summarized as follows:

	CAPITAL ASSETS	
	Net of Accumulated Depreciation	
	Governmental Activities	
	<u>2016</u>	<u>2015</u>
Non-Depreciable Assets		
Land	\$ 18,500.00	\$ 18,500.00
Depreciable Assets		
Building	198,614.05	198,614.05
Equipment	523,943.23	176,937.33
Vehicles	<u>1,743,163.65</u>	<u>1,746,412.68</u>
Net Capital Assets	<u>2,483,956.66</u>	<u>2,140,464.06</u>

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Long-Term Debt: The District does not have any long-term obligations. Several of the individual stations that comprise the parish-wide district, however, do have long-term obligations for buildings. The debt service for these provided by parish-wide funds to the stations is recognized in the statement of revenues, expenditures and changes in fund balances in the amount of \$379,373.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Judith Kelly, or (225) 302-0016.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS

Cash and cash equivalents	\$ 1,581,670.60
Receivables, net	11,754.77
Prepaid expenses	100,008.72
Capital assets, net of accumulated depreciation	<u>2,483,956.66</u>

Total Assets 4,177,390.75

DEFERRED OUTFLOWS OF RESOURCES

-

LIABILITIES

-

DEFERRED INFLOWS OF RESOURCES

-

NET POSITION

Net investment in capital assets	2,483,956.66
Unrestricted	<u>1,693,434.09</u>

Total Net Position 4,177,390.75

See Accompanying Notes and Independent Auditor's Report

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities					
General government	\$ 242,308.72	\$ -	\$ -	\$ -	\$ (242,308.72)
Station activity	907,193.41	-	2,819.06	210,000.00	(694,374.35)
Total Government Activities	1,149,502.13	-	2,819.06	210,000.00	(936,683.07)
General Revenues and Transfers					
Property taxes					822,898.94
Fire protection fees					470,087.47
Other revenues					45,456.76
Interest earnings					5,112.97
Total General Revenues and Transfers					1,343,556.14
Change in Net Position					406,873.07
Net Position, beginning					3,770,517.68
Net Position, ending					4,177,390.75

See Accompanying Notes and Independent Auditor's Report

FUND FINANCIAL STATEMENTS

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

ASSETS

Cash and cash equivalents	\$ 1,581,670.60
Property taxes receivable, net	7,216.03
Fire protection fees receivable, net	4,538.74
Prepaid expenses	100,008.72
TOTAL ASSETS	1,693,434.09

LIABILITIES AND FUND BALANCES

Liabilities:

-

Fund Balances:

Assigned to capital additions	662,800.00
Assigned to debt service	247,984.00
Assigned to station operations	351,665.16
Unassigned	430,984.93
Total Fund Balances	1,693,434.09
TOTAL LIABILITIES AND FUND BALANCES	1,693,434.09

See Accompanying Notes and Independent Auditor's Report

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2016**

Total Fund Balances - Total Governmental Funds	\$ 1,693,434.09
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet	<u>2,483,956.66</u>
Total Net Position - Governmental Activities	<u><u>4,177,390.75</u></u>

See Accompanying Notes and Independent Auditor's Report

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016**

REVENUES

Property taxes	\$ 822,898.94
Fire protection fees	<u>470,087.47</u>
Total Revenues	1,292,986.41

EXPENDITURES

General government	242,308.72
Station activity:	
Operations	284,977.47
Debt service	379,373.36
Capital outlay	<u>586,335.18</u>
Total Expenditures	<u>1,492,994.73</u>

Excess of Expenditures over Revenues	(200,008.32)
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OTHER FINANCING SOURCES (USES)

Grants and other contributions	212,819.06
Rebates/other revenues	45,456.76
Interest earned	<u>5,112.97</u>
Total Other Financing Sources (Uses)	<u>263,388.79</u>

Change in Fund Balances	63,380.47
Fund Balances, beginning	<u>1,630,053.62</u>
Fund Balances, ending	<u><u>1,693,434.09</u></u>

See Accompanying Notes and Independent Auditor's Report

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

Net Change in Fund Balances - Total Governmental Funds \$ 63,380.47

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report the purchase of long-lived assets as current year expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation charged and capital outlay expenditures differed during the year.

343,492.60

Change in Net Position - Governmental Activities

406,873.07

See Accompanying Notes and Independent Auditor's Report

NOTES TO FINANCIAL STATEMENTS

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
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JUNE 30, 2016**

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**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

INTRODUCTION

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Government-Wide Accounting: In accordance with Government Accounting Standards Board Statement No. 34, the District has presented a Statement of Net Position and Statement of Activities for the District as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

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

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

Eliminating Internal Activity

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

Capitalizing Assets

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

Program Revenues

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

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Indirect Expenses

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

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

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

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

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

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

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

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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

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

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

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

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

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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

Compensated Absences: The District does not have compensated absences.

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

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Non-spendable

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

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Restricted

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

Committed

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

Assigned

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

Unassigned

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

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

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

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

NOTE 2 – CASH AND CASH EQUIVALENTS

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

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

With the adoption of GASB Statement No. 40, only deposits considered exposed to custodial credit risk are required to be disclosed. At June 30, 2016, the District did not have any cash and/or cash equivalents exposed to custodial credit risk.

The District has investments in a local government investment pool that is administered by a non-profit corporation, LAMP, Inc. This corporation was organized under the laws of the State of Louisiana, and its purpose is to provide a safe environment for the placement of public funds in short-term, high-quality investments. Investments included in its portfolio, that is restricted to those issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its assigns, include only those with maturities of ninety days or less. This design allows participants immediate access to their funds. For this reason, the account balances at year end are recorded in the accompanying financial statement as cash and cash equivalents.

The cash and cash equivalents on hand are as follows:

	<u>2016</u>
Primary Government:	
Interest-bearing demand	\$ 154,748.69
Investment at LAMP, Inc.	120,650.99
Blended Component Units:	
Demand deposits	477,667.31
Interest-bearing demand	784,781.85
Investment at LAMP, Inc.	<u>43,821.76</u>
Total	<u>1,581,670.60</u>

NOTE 3 – RECEIVABLES

The following is a summary of receivables:

	<u>2016</u>
Property taxes	\$ 7,597.03
Fire protection fees	<u>4,726.74</u>
Sub-total	12,323.77
Allowance for uncollectible accounts	<u>(569.00)</u>
Net	<u>11,754.77</u>

The allowance for doubtful accounts is calculated at approximately 5% of the accounts receivable at year end.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land	\$ 18,500.00	\$.00	\$.00	\$ 18,500.00
Capital Assets, being depreciated				
Buildings	1,112,624.58	14,070.61	.00	1,126,695.19
Less: accumulated depreciation	<u>914,010.53</u>	<u>14,334.88</u>	<u>.00</u>	<u>928,345.41</u>
Net Buildings	198,614.05	(264.27)	.00	198,349.78
Equipment	1,406,246.11	413,398.57	.00	1,819,644.68
Less: accumulated depreciation	<u>1,229,308.78</u>	<u>66,392.67</u>	<u>.00</u>	<u>1,295,701.45</u>
Net Equipment	176,937.33	347,005.90	.00	523,943.23
Vehicles	4,760,603.97	158,866.00	.00	4,919,469.97
Less: accumulated depreciation	<u>3,014,191.29</u>	<u>162,115.03</u>	<u>.00</u>	<u>3,176,306.32</u>
Net Vehicles	1,746,412.68	(3,249.03)	.00	1,743,163.65
Other	151,028.81	.00	.00	151,028.81
Less: accumulated depreciation	<u>151,028.81</u>	<u>.00</u>	<u>.00</u>	<u>151,028.81</u>
Net Other	.00	.00	.00	.00
Net Capital Assets, being depreciated	<u>2,121,964.05</u>	<u>343,492.60</u>	<u>.00</u>	<u>2,465,456.66</u>
Net Capital Assets	<u>2,140,464.06</u>	<u>343,492.60</u>	<u>.00</u>	<u>2,483,956.66</u>

NOTE 5 – TAXES

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

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

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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

The property tax calendar is as follows:

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

In accordance with the provisions of La. Revised Statute 40:1502.13, as amended, the District levied a fire protection tax of \$36 on persons owning residential or commercial structures and \$28 on persons owning mobile homes, whether occupied or not, located wholly or partly within the boundaries of the District. This tax is levied on each structure for the purpose of providing fire protection and emergency services.

NOTE 6 – RELATED PARTY TRANSACTIONS

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

NOTE 7 – LITIGATION

A malfeasance in office charge was made against the then-fire chief of the Woodland Volunteer Fire Department in the 20th Judicial District Court in May of 2005. He pleaded no contest and was fined \$500 with a one-year suspended prison term. He was also ordered to make restitution to the department at an amount that has not yet been determined. Part of this restitution involved funds provided to the department by the District. As of June 30, 2016, no restitution had been made to the District.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events and determined that there were no subsequent events between year-end and April 19, 2017, the date on which the financial statements were available to be issued, that would have a significant impact on the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(PART 2 OF 2)

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Property taxes	\$ 820,000.00	\$ 820,000.00	\$ 822,898.94	\$ 2,898.94
Fire protection fees	342,000.00	342,000.00	470,087.47	128,087.47
Total Revenues	1,162,000.00	1,162,000.00	1,292,986.41	130,986.41
<u>EXPENDITURES</u>				
General government	-	250,000.00	242,308.72	7,691.28
Station activity	664,000.00	615,000.00	664,350.83	(49,350.83)
Capital outlay	585,000.00	532,000.00	586,335.18	(54,335.18)
Total Expenditures	1,249,000.00	1,397,000.00	1,492,994.73	(95,994.73)
Excess (Deficiency) of Revenues over Expenditures	(87,000.00)	(235,000.00)	(200,008.32)	34,991.68
<u>OTHER FINANCING SOURCES (USES)</u>				
Grants and other contributions	-	212,000.00	212,819.06	819.06
Rebates/other revenues	1,500.00	1,500.00	45,456.76	43,956.76
Interest earned	1,100.00	1,100.00	5,112.97	4,012.97
Total Other Financing Sources (Uses)	2,600.00	214,600.00	263,388.79	48,788.79
Change in Fund Balances	(84,400.00)	(20,400.00)	63,380.47	83,780.47
Fund Balances, beginning	1,630,053.62	1,630,053.62	1,630,053.62	-
Fund Balances, ending	1,545,653.62	1,609,653.62	1,693,434.09	83,780.47

See Independent Auditor's Report

SUPPLEMENTARY INFORMATION

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
YEAR ENDED JUNE 30, 2015**

Agency Head

Allen McNabb
Chairman

Purpose

Compensation
Benefits
Other Payments

Amount

\$ -
-
-

-

Total Compensation, Benefits and Other Payments

Salaries or benefits were provided with no public funds.

See Independent Auditor's Report

**WILLIAM P. GAINES, JR., CPA
A PROFESSIONAL ACCOUNTING CORPORATION
4257 CHURCH STREET, SUITE 105
ZACHARY, LOUISIANA 70791**

**INDEPENDENT AUDITORS' 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***

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental-type activities of the Parish-wide Fire Protection District of East Feliciana Parish, Louisiana as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Parish-wide Fire Protection District of East Feliciana Parish, Louisiana's basic financial statements, and have issued my report thereon dated April 19, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Parish-wide Fire Protection District of East Feliciana Parish, Louisiana's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance that is required to be reported under *Government Auditing Standards* and is described as 2016.01 and 2016.02 in the accompanying schedule of findings and responses.

Purpose of this Report

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

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

(Signature) CPA

William P. Gaines, Jr., CPA
A Professional Accounting Corporation
Zachary, LA
April 19, 2017

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2016**

I have audited the financial statements of the Parish-wide Fire Protection District of East Feliciana Parish as of and for the years ended June 30, 2016, and have issued my report thereon dated April 19, 2017. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2016, resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

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

Internal Control	Significant Deficiencies	<input type="checkbox"/> No
	Material weaknesses	<input type="checkbox"/> No
Compliance	Material to Financial Statements	<input type="checkbox"/> No

2. Federal Awards

N/A

Section II Financial Statement Findings

N/A

Section III Internal Control and Compliance Findings

2016.01 Compliance with the Audit Law

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

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

Recommendation. I recommend that management make every effort to comply with the Audit Law.

Management's Response. We will comply with this recommendation.

2016.02 Compliance with Budget Act

Criteria. Louisiana Revised Statute 39:101-1315 (Government Budget Act) requires that revenues and expenditures fall within 5% of budgeted authority. Based on the budgeted revenues and expenditures the District was slightly over budget by .2048%.

Condition. The District is not in compliance with the Government Budget Act.

Recommendation. I recommend that management review its budget to actual comparison on a periodic basis, at least quarterly, and make appropriate adjustments in order to comply with this Act.

Management's Response. We will comply with this recommendation.

Section IV Management Letter

N/A

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2016**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Financial Statement Findings

2015.01 Compliance with Budget Act

Criteria. Louisiana Revised Statue 39:1301-1315 (Government Budge Act) requires that revenues and expenditures fall within 5% of budgeted authority. Based on the budgeted revenues of \$1,420,476, the District realized 14% less than budgeted amounts.

Condition. The District is not in compliance with the Government Budget Act.

Disposition. Unresolved.

Section III Management Letter

N/A

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2016**

Section I Internal Control and Compliance Findings

2016.01 Compliance with the Audit Law.

Criteria. Louisiana Revised Statute 24:513 requires that audit financial statements be submitted to the Legislative Auditor within six months of the close of the entity's fiscal year.

Condition. The District is not in compliance with the Audit Law.

Recommendation. I recommend that management make every effort to comply with this law.

Management's Response. We will comply with this recommendation.

2016.02 Compliance with Budget Act

Criteria. Louisiana Revised Statute 39:101-1315 (Government Budget Act) requires that revenues and expenditures fall within 5% of budgeted authority. Based on the budgeted revenues and expenditures the District was slightly over budget by .2048%.

Condition. The District is not in compliance with the Government Budget Act.

Recommendation. I recommend that management review its budget to actual comparison on a periodic basis, at least quarterly, and make appropriate adjustments in order to comply with this Act.

Management's Response. We will comply with this recommendation.

Section II Financial Statement Findings

N/A

Section III Management Letter

N/A