

Fire Protection District No. 1 of West Feliciana  
Parish  
St. Francisville, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2017  
With Supplemental Information Schedules



**BRUCE HARRELL & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

**Fire Protection District No. 1 of West Feliciana Parish**  
**Annual Financial Statements**  
**As of and for the Year Ended June 30, 2017**  
**With Supplemental Information Schedules**

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## Independent Auditor's Report

To the Board Members of the  
Fire Protection District No. 1 of West Feliciana Parish  
St. Francisville, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire Protection District No. 1 of West Feliciana Parish (the "District"), a component unit of the West Feliciana Parish Council, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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 unmodified and qualified audit opinions.

***Basis for Qualified Opinion on Governmental Activities***

The District was unable to provide a detailed capital asset listing or detailed records supporting capital assets and related balances. Because of the inadequacy of such accounting records, we were unable to obtain sufficient appropriate audit evidence about the amounts at which capital assets and accumulated depreciation are recorded in the accompanying Statement of Net Position (stated at \$12,973,236 and \$5,444,865, respectively), or the amount of depreciation expense in the accompanying Statement of Activities for the year ended June 30, 2017 (stated at \$372,613). Consequently, we were unable to determine whether any adjustments to these amounts were necessary. We were also unable to determine whether any adjustments were necessary to beginning or ending governmental activities net position or components of net position.

***Qualified Opinion***

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities of the Fire Protection District No. 1 of West Feliciana Parish, as of June 30, 2017, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and the aggregate remaining fund information of Fire Protection District No. 1 of West Feliciana Parish, as of June 30, 2017, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Matters***

***Adjustment to Prior Period Financial Statements***

The financial statements of the Fire Protection District No. 1 of West Feliciana Parish as of June 30, 2016 were audited by other auditors whose opinions dated November 29, 2016, on the financial statements of the governmental activities was unmodified. As discussed in Note 13 to the accompanying financial statements, the District restated its 2016 financial statements in the current year to correct Ad Valorem tax revenue and related accounts receivable as well as related deferred inflows of resources for the governmental activities and unearned revenue in the general fund. The previous auditors reported on the 2016 financial statements before these adjustments.

As part of our audit of the 2017 financial statements, we also audited adjustments described in Note 13 that were applied to restate the 2016 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2016 financial statements of the Fire Protection District No. 1 of West Feliciana Parish other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2016 financial statements as a whole.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9-15 and page 43, as well as the Schedule of the District's Proportionate Share of the Net Pension Liability on page 44 and the Schedule of the District's Contributions on page 45, 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 response 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fire Protection District No. 1 of West Feliciana Parish's basic financial statements. The accompanying schedules listed as Other Supplemental Information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedules listed as Other Supplemental Information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules listed as Other Supplemental Information in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Governmental Auditing Standards*, we have also issued our report dated February 28, 2018, on our consideration of the Fire Protection District No. 1 of West Feliciana Parish's internal control over financial reporting and 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

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over financial reporting and compliance and the results of that testing, and not 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 *Governmental Auditing Standards* in considering the Fire Protection District No. 1 of West Feliciana Parish's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

Kentwood, LA  
February 28, 2018

**Required Supplemental Information (Part I)**  
**Management's Discussion and Analysis**

**Fire Protection District No. 1 of West Feliciana Parish  
Management's Discussion and Analysis (Unaudited)  
As of and for the Year Ended June 30, 2017**

**Introduction**

Fire Protection District No. 1 of West Feliciana Parish (the "District") is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended. The amendment of GASB 34, including the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and applicable standards are more fully described in Footnote 1 – *Summary of Significant Accounting Policies*.

The District's management discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this Management's Discussion and Analysis should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this Management's Discussion and Analysis.

**Financial Highlights**

- At June 30, 2017, the District's assets and deferred outflows of resources of \$12,540,176 exceeded its liabilities and deferred inflows of resources by \$11,816,705 (net position). The District's unrestricted net position of \$4,288,334 may be used to meet the District's ongoing obligations for fire protection.
- For the year ended June 30, 2017, the District's total net position increased by \$311,710, after prior period adjustments.
- At June 30, 2017, the District's government fund reported an ending fund balance of \$4,552,368 which represents an increase of \$187,625 for the year, after prior period adjustments. Of this amount, \$1,324,377 is unassigned and available for spending for fire protection.
- Ad valorem taxes increased by \$45,687 from \$1,520,132 for the prior fiscal year to \$1,565,819 for the year ended June 30, 2017.
- Interest income for the year ended June 30, 2017 was \$25,917, an increase of \$142. This increase is primarily due to additional deposits on hand during the year and interest earned on ad valorem taxes.
- Total liabilities for the fiscal year ending June 30, 2017 increased by \$148,123 due primarily to increases in accounts payable, retainage payable, and net pension liability.

**Fire Protection District No. 1 of West Feliciana Parish  
Management's Discussion and Analysis (Unaudited)  
As of and for the Year Ended June 30, 2017**

## **Overview of the Annual Financial Report**

The financial statement focus is on both the District as a whole and on the major individual fund. Both perspectives, government-wide and major fund, allow the user to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the District's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

## **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on the District's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the District's various revenues. This is intended to summarize and simplify the reader's analysis of the cost and/or subsidy of various governmental services.

In both of the Government-Wide Financial Statements, the District's activities are of a single type:

- Governmental activities- The District's basic services are reported here, and are financed primarily through ad valorem taxes.

## **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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The District uses a single category of funds to account for financial transactions: governmental funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the District's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial

**Fire Protection District No. 1 of West Feliciana Parish  
Management's Discussion and Analysis (Unaudited)  
As of and for the Year Ended June 30, 2017**

resources that can be spent in the near future to finance the District's programs. The basic governmental fund financial statements can be found on page 20 and 22 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the District's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliation can be found on pages 21 and 23 of this report.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 41 of this report.

**Government-Wide Financial Analysis**

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the District's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position in this report.

**Fire Protection District No. 1 of West Feliciana Parish  
Management's Discussion and Analysis (Unaudited)  
As of and for the Year Ended June 30, 2017**

**Net Position  
2017 and 2016**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016 (Restated)</b>
Assets:		
Current Assets	\$ 3,074,932	\$ 2,322,704
Noncurrent Assets	1,542,311	2,091,644
Capital Assets	7,528,371	7,368,331
Total Assets	12,145,614	11,782,679
Deferred Outflows of Resources		
Pension Related	394,562	295,723
Total Deferred Outflows of Resources	394,562	295,723
Liabilities:		
Long-Term Debt Outstanding	633,560	500,706
Other Liabilities	64,875	49,606
Total Liabilities	698,435	550,312
Deferred Inflows of Resources		
Pension Related	25,036	23,095
Total Deferred Inflows of Resources	25,036	23,095
Net Position:		
Net Investment in Capital Assets	7,528,371	7,368,331
Restricted	-	-
Unrestricted	4,288,334	4,136,664
Total Net Position	\$ 11,816,705	\$ 11,504,995

Approximately 64 percent of the District's net position reflects its investment in capital assets (furniture, equipment and building) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Approximately 36 percent of the District's net position is unrestricted and may be used to meet the District's ongoing obligations to its citizens. At the end of the current fiscal year, the District was able to report positive balances in its sole category of net position, governmental activities. The same held true for the prior fiscal year.

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the District's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more information see the Statement of Activities included in this report.

**Fire Protection District No. 1 of West Feliciana Parish  
Management's Discussion and Analysis (Unaudited)  
As of and for the Year Ended June 30, 2017**

**Changes in Net Position  
For the years ended June 30, 2017 and 2016**

	Governmental Activities		Variance	
	2017	2016	Dollar	Percentage
Revenues:	<b>(Restated)</b>			
Program Revenues:				
Charges for Services	\$ -	\$ -	\$ -	-
Operating Grants and Contributions	45,921	25,391	20,530	81%
Capital Grants and Contributions	-	-	-	-
General Revenues:				
Ad Valorem Taxes	1,565,819	1,520,132	45,687	3%
Fire Insurance Premium Rebate	57,839	54,150	3,689	7%
Interest Income	25,917	25,775	142	1%
Lease Income	8,072	7,723	349	5%
Insurance Proceeds	41,846	-	41,846	N/A
Other Income	28,665	11,665	17,000	146%
Gain on Sale of Assets	-	1,237	(1,237)	-100%
Total Revenues	<u>1,774,079</u>	<u>1,646,073</u>	<u>128,006</u>	<u>8%</u>
Expenses:				
Public Safety	1,462,369	1,342,323	120,046	9%
Total Expenses	<u>1,462,369</u>	<u>1,342,323</u>	<u>120,046</u>	<u>9%</u>
Change in Net Position	<u>311,710</u>	<u>303,750</u>	<u>7,960</u>	<u>3%</u>
Net Position, Beginning	11,512,580	11,201,245	311,335	3%
Prior Period Adjustments (Note 13)	<u>(7,585)</u>	<u>-</u>	<u>(7,585)</u>	<u>N/A</u>
Net Position, Beginning (Restated)	<u>11,504,995</u>	<u>11,201,245</u>	<u>303,750</u>	<u>3%</u>
Net Position, Ending	<u>\$ 11,816,705</u>	<u>\$ 11,504,995</u>	<u>\$ 311,710</u>	<u>3%</u>

**Governmental Activities**

The District's governmental net position decreased by \$311,710 or three percent of the prior year ending net position, to \$11,816,705.

Changes in net position increased by \$7,960 compared to the prior year. Revenues increased by eight percent, \$128,006 and expenses increased by nine percent, \$120,046. The increase in revenues noted above is primarily due to an increase of all revenues except gain on sale of assets. The increase in expenses noted above is primarily comprised of increases in salaries, retirement, and training.

**Fund Financial Analysis**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund type—governmental funds.

**Fire Protection District No. 1 of West Feliciana Parish  
Management's Discussion and Analysis (Unaudited)  
As of and for the Year Ended June 30, 2017**

**Governmental Funds**

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 20 and 22 of this report.

At the end of the current year, the District's single governmental fund reported an ending fund balance of \$4,552,368, twenty-nine percent or \$1,324,377 was unassigned. This represents an increase of \$187,625, or approximately four percent of the prior year's ending balances.

**Major Governmental Fund Budgetary Highlights**

Fire Protection District No. 1 of West Feliciana Parish adopts an annual operating budget in accordance with requirements of the Local Government Budget Act. As required by state law, actual revenues and other sources were within five percent of budgeted revenues and actual expenditures did not exceed budgeted expenditures by five percent. The budget provides an estimate for the current fiscal year of the proposed expenditures and the revenues that will finance the operation of the District. An amended budget was proposed and adopted as required by the Local Government Budget Act, for the year ended June 30, 2017. Schedule 1 detailing budget compliance is included as Required Supplementary Information, following the footnotes of the financial statements.

**Capital Assets and Debt Administration**

**Capital Assets**

The District's net investment in capital assets for its governmental activities (net of depreciation) as of June 30, 2017 and June 30, 2016 respectively amounted to \$7,528,371 and \$7,368,331. Major asset purchases in 2017 and 2016 respectively were \$532,653 and \$300,813.

The following table provides a summary of the District's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 6 to the financial statements in this report.

**Fire Protection District No. 1 of West Feliciana Parish  
Management's Discussion and Analysis (Unaudited)  
As of and for the Year Ended June 30, 2017**

**Capital Assets (Net of Depreciation)  
2017 and 2016**

<b>Capital Assets</b>	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Land	\$ 293,929	\$ 293,929
Buildings and Improvements	6,056,916	6,056,916
Equipment	934,669	925,732
Vehicles & Apparatus	5,673,046	5,164,006
Construction in Progress	14,676	-
Subtotal Capital Assets	<u>12,973,236</u>	<u>12,440,583</u>
Less: Accumulated Depreciation	<u>(5,444,865)</u>	<u>(5,072,252)</u>
<b>Capital Assets, Net</b>	<b><u>\$ 7,528,371</u></b>	<b><u>\$ 7,368,331</u></b>

During the year ending June 30, 2017, the District incurred \$14,676 in construction costs related to renovations the Wakefield Station. The construction was not completed until after year end. The District also purchased vehicles in the amount of \$509,040 and equipment for \$8,937.

**Long-Term Debt**

At June 30, 2017, the District had no long-term debt outstanding, other than net pension liability and compensated absences payable.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's users with a general overview of the District's finances and show the District's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to Fire Protection District No. 1 of West Feliciana Parish, P.O. Box 1190, St. Francisville, LA 70775. The District's telephone number is 225-635-4312.

# Basic Financial Statements

## Government-Wide Financial Statements

## Statement A

**Fire Protection District No. 1 of West Feliciana Parish**  
**Statement of Net Position**  
**As of June 30, 2017**

	<b>Governmental Activities</b>
<b>Assets</b>	
Current Assets:	
Cash and Equivalents	\$ 1,360,304
Investments	1,711,257
Ad Valorem Taxes Receivable, Net of Uncollectible Allowance	3,371
Total Current Assets	3,074,932
Noncurrent Assets:	
Deposits	400
Investments	1,541,911
Total Noncurrent Assets	1,542,311
Capital Assets:	
Land	293,929
Construction in Progress	14,676
Capital Assets, Net	7,219,766
Total Capital Assets	7,528,371
<b>Total Assets</b>	<b>12,145,614</b>
<b>Deferred Outflows of Resources</b>	
Pension Related	394,562
<b>Total Deferred Outflows of Resources</b>	<b>394,562</b>
<b>Liabilities</b>	
Current Liabilities (Payable From Current Assets):	
Accounts Payable	10,818
Accrued Salaries	4,023
Compensated Absences Payable	17,502
Unearned Revenue	32,532
Total Current Liabilities (Payable From Current Assets)	64,875
Long Term Liabilities:	
Net Pension Liability	631,269
Compensated Absences Payable	2,291
Total Long Term Liabilities	633,560
<b>Total Liabilities</b>	<b>698,435</b>
<b>Deferred Inflows of Resources</b>	
Pension Related	25,036
<b>Total Deferred Inflows of Resources</b>	<b>25,036</b>
<b>Net Position</b>	
Net Investment in Capital Assets	7,528,371
Unrestricted	4,288,334
<b>Total Net Position</b>	<b>\$ 11,816,705</b>

The accompanying notes are an integral part of this statement.

**Fire Protection District No. 1 of West Feliciana Parish**  
**Statement of Activities**  
**For the Year Ended June 30, 2017**

	Program Revenues		Net (Expenses) Revenues and Change in Net Position
	General Expenses	Operating Grants & Contributions	Capital Grants & Contributions
			Governmental Activities
<b>Governmental Activities</b>			
Public Safety	\$ 1,462,369	\$ 45,921	\$ -
<b>Total Governmental Activities</b>	1,462,369	45,921	(1,416,448)
<b>General Revenues:</b>			
Ad Valorem Tax			1,565,819
Fire Insurance Premium Rebate			57,839
Other Income			28,665
Interest Income			25,917
Lease Income			8,072
Insurance Proceeds			41,846
Gain on Asset Disposal			-
<b>Total General Revenues and Transfers</b>			1,728,158
<b>Change in Net Position</b>			311,710
<b>Net Position - Beginning</b>			11,512,580
Prior Period Adjustments (Note 13)			(7,585)
<b>Net Position - Beginning (Restated)</b>			11,504,995
<b>Net Position - Ending</b>			\$ 11,816,705

The accompanying notes are an integral part of this statement.

**Basic Financial Statements**  
Fund Financial Statements

**Fire Protection District No. 1 of West Feliciana Parish**  
**Governmental Fund Balance Sheet**  
**As of June 30, 2017**

**Statement C**

	<u><b>General Fund</b></u>
<b>Assets</b>	
Cash and Equivalents	\$ 1,360,304
Ad Valorem Taxes Receivable, Net of Uncollectible Allowance	3,371
Investments	3,253,168
Deposits	400
<b>Total Assets</b>	<u><u>\$ 4,617,243</u></u>
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	
Liabilities:	
Accounts Payable	\$ 10,818
Accrued Salaries	4,023
Compensated Absences	17,502
Unearned Revenue	32,532
<b>Total Liabilities</b>	<u>64,875</u>
Fund Balances:	
Assigned for Buildings	1,030,802
Assigned for Equipment	1,057,645
Assigned for Apparatus	1,139,544
Unassigned	1,324,377
<b>Total Fund Balances</b>	<u>4,552,368</u>
 <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	 <u><u>\$ 4,617,243</u></u>

The accompanying notes are an integral part of this statement.

**Fire Protection District No. 1 of West Feliciana Parish  
Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Financial Statement of Net Position  
As of June 30, 2017**

<b>Total Fund Balance, Governmental Funds (Statement C)</b>	\$ 4,552,368
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the governmental funds. These assets consist of:

Governmental Capital Assets, Net of Accumulated Depreciation	7,528,371
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Long-term liabilities of governmental activities are not payable from current resources, and therefore, are not reported in the governmental funds:

Net Pension Liability	(631,269)
Compensated Absences	(2,291)

Deferred outflows and inflows of financial resources represent a consumption of acquisition of net position that applies to a future period and therefore are not reported in the governmental funds. These consist of:

Deferred Outflows of Resources - Pension Related	394,562
Deferred Inflows of Resources - Pension Related	(25,036)

<b>Net Position, Governmental Activities (Statement A)</b>	<b>\$ <u>11,816,705</u></b>
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The accompanying notes are an integral part of this statement.

**Statement E**

**Fire Protection District No. 1 of West Feliciana Parish**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

	<b>General Fund</b>
<b>Revenues</b>	
Ad Valorem Tax Revenue	\$ 1,565,819
Fire Insurance Premium Rebate	57,839
Entergy Grant	5,000
Other Income	28,665
Interest Income	25,917
Lease Income	8,072
Intergovernmental	
Grants	14,850
Contributions	2,112
<b>Total Revenues</b>	<b>1,708,274</b>
<b>Expenditures</b>	
Public Safety	
Administrative	2,623
Advertising	5,247
Benefits	77,557
Board Per Diem	1,920
Contract Labor	18,358
Insurance	116,764
Intergovernmental Payments	50,959
Payroll Taxes	25,293
Professional Services	19,762
Repairs and Maintenance	65,547
Salaries	482,953
Supplies	42,752
Telephone and Utilities	60,698
Training	31,058
Vehicle Expenses	27,024
Other Expenditures	1,327
Capital Outlay	532,653
<b>Total Expenditures</b>	<b>1,562,495</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>145,779</b>
<b>Other Financing Sources (Uses)</b>	
Insurance Proceeds	41,846
<b>Total Other Financing Sources (Uses)</b>	<b>41,846</b>
<b>Net Change in Fund Balances</b>	<b>187,625</b>
<b>Fund Balance, Beginning</b>	<b>4,372,328</b>
Prior Period Adjustments (Note 13)	(7,585)
<b>Fund Balance, Beginning Adjusted</b>	<b>4,364,743</b>
<b>Fund Balance, Ending</b>	<b>\$ 4,552,368</b>

The accompanying notes are an integral part of this statement.

**Fire Protection District No. 1 of West Feliciana Parish  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balance of Governmental Funds  
to the Statement of Activities  
For the year ended June 30, 2017**

**Total Net Change in Fund Balance, Governmental Funds (Statement E)** \$ 187,625

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

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

Expenditures for capital assets	532,653	
Less:		
Current year depreciation	(372,613)	160,040

Compensated Absences payable after one year are not recorded as an expenditure in the governmental funds, but they are recorded as an expenditure in the statement of activities.		(2,291)
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Non-employer contributions to cost-sharing pension plan		23,959
Pension Expense		(57,623)

**Change in Net Position, Governmental Activities (Statement B)** \$ 311,710

The accompanying notes are an integral part of this statement.

# Basic Financial Statements

## Notes to the Financial Statements

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**Introduction**

Fire Protection District No. 1 of West Feliciana Parish (“the District”) is a component unit of the West Feliciana Parish Council and was created in 1986 as provided by Louisiana Revised Statute 40:1492. The District serves as a parish-wide agency for the purpose of acquiring, maintaining and operating buildings, machinery, equipment, water tanks and any other such things necessary to provide fire prevention and protection within its boundaries.

The District is managed by a Board of Commissioners composed of 7 members that are appointed by the parish governing authority to serve two-year terms. Commissioners, as authorized by Louisiana Revised Statute 38:3304 receive a per diem to attend meeting or conduct board-approved business not to exceed \$30 per meeting and two meetings per month.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Fire Protection District No. 1 of West Feliciana Parish is considered a component unit of the West Feliciana Parish Council. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the District.

**1. Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The accompanying basic financial statements of the Fire Protection District No. 1 of West Feliciana Parish have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management’s Discussion and Analysis, for State and Local Governments*, as amended. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), and a statement of activities. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The District has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, that requires capital contributions to the District to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net position by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net position by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Note 1L – Net Position and Fund Balance*.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

At June 30, 2017, the District had deferred outflows of resources of \$394,562 and deferred inflows of resources of \$25,036 related to pension.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, a primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District does not have any business-type activities and reports only governmental activities. The District has no component units.

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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements. The District reports one governmental fund – the general fund.

**C. 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. 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

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

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.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if they are measurable and available. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in another fund (none in the current year).

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) program-specific operating grants and contributions; and, 3) program-specific capital grants and contributions. Internally dedicated resources, if any, 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 District's policy to use restricted resources first, then unrestricted resources as they are needed.

When restricted, committed, assigned, or unassigned fund balances are available for use, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

#### **D. Budgets and Budgetary Accounting**

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-15. The budget is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The major requirements of the Local Government Budget Act are summarized as follows:

1. The District adopts a budget each year for the general fund.
2. The District's secretary and Fire Chief prepare a proposed budget and submit it to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal. A public hearing was held on June 13, 2016.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on June 13, 2016.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

require the approval of the Board of Commissioners. There were no budget amendments made during the fiscal year.

5. Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting.

**E. Cash, Cash Equivalents, and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of 90 days or less from the date of acquisition.

Under State law, the District may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, the District may invest in United States bonds, treasury notes, or certificates.

In accordance with state law, the District limits its investments to those allowed under R.S. 33:2955. Certificates of deposit are classified as investments if their original maturities exceed 90 days. Investments are reported at fair market.

**F. Inventory**

Inventories for supplies are immaterial and are recorded as expenditures when purchased. The District did not have inventory at year end June 30, 2017.

**G. Prepaid Items**

The District recognizes expenditures for insurance and similar services extending over more than one accounting period when paid in the fund financial statements.

**H. Capital Assets**

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 District maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. 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>
Buildings and Improvements	5 - 40 Years
Equipment	3 - 10 Years
Vehicles & Apparatus	3 - 20 Years

**I. Pension Plans**

The District is a member of the Louisiana Firefighters' Retirement System. The System has prepared its employer schedules in accordance with GASB No. 68. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed.

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**J. 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, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

The District has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, were revised. This standard was intended to compliment GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65. The District did not have any bond related costs in the year ending June 30, 2017.

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.

**K. Compensated Absences**

The District has the following vacation leave policy:

	<b>Years of Service</b>		
	6 months - 1 year	1-10 years	10 + years
Vacation Leave - Days Earned per Year	9	18	additional 1 day for each year of service over 10 years (max 30 days)

The District's employees are allowed to carry forward a max of 80 hours each year, which is paid to the employee upon termination.

The District follows the policy of the Louisiana Municipal Fire and Police Civil Service Revised Statutes for sick leave.

**L. Net Position and Fund Balance**

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position** - The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

- **Restricted Component of Net Position** - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- **Unrestricted Component of Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The District adopted GASB 54 for the year ended December 31, 2011. As such, fund balances of governmental funds are classified as follows:

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal vote of the Board, which is the highest level of decision making authority for the District.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board.
- **Unassigned.** These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed or assigned for those purposes.

**M. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**N. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

**O. Reconciliations of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities is presented in Statement F of the basic financial statements.

**2. Levied Taxes**

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

	<b>Authorized Millage</b>	<b>Levied Millage</b>
General Fund	6 mills	\$ 1,565,363

Ad valorem taxes attach as an enforceable lien on property on January 1 each year. Taxes are levied by the District during the year, are billed to taxpayers, and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The West Feliciana Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the West Feliciana Parish Tax Assessor. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2017, the District levied 6 mills for a total tax levy of \$1,565,363 taxable property valuation totaling \$26,301,324.

**3. Cash and Cash Equivalents**

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

Interest Bearing Demand Deposits	\$ 1,360,304
Total Cash and Cash Equivalents	1,360,304
Louisiana Asset Management Pool Funds (LAMP) (See Note 4)	392,975
Certificates of Deposit Held as Investments (See Note 4)	2,860,193
Total Deposits	\$ 4,613,472

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

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2017, the District has \$4,238,814 in deposits (collected bank balances), consisting of \$1,384,525 in interest bearing demand deposits and \$2,854,289 in certificates of deposit held as investments (See Note 4). The certificates of deposit are held in three banks secured from risk by \$250,000 of federal deposit insurance at each bank and the remaining \$2,104,289 is secured by pledged securities. The \$2,104,289 in certificates of deposit is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The demand deposits are secured from risk by \$250,000 of federal deposit insurance and the remaining \$1,134,525 is secured by pledged securities. The \$1,134,525 in demand deposits is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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 government that the fiscal agent has failed to pay deposited funds upon demand.

#### **4. Investments**

Investments are categorized into these three categories of credit risk:

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

The only investments held by the District at June 30, 2017 are certificates of deposits carried as investments within three local banks and the Louisiana Asset Management Pool (LAMP) as described in Note 3. The certificates of deposit are carried at cost which approximates market value.

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

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

In accordance with GASB Codification Section I50.165, the investment in the Louisiana Asset Management Pool (LAMP) at June 30, 2017, is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated at the value of the pool shares, which is the same as the fair value. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprised of the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

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

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

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

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

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

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

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

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**5. Receivables**

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

		<u>General Fund</u>
Ad Valorem Taxes	\$	3,371
Subtotal		<u>3,371</u>
Allowance for Uncollectible Accounts		<u>-</u>
<b>Accounts Receivable, Net</b>	<b>\$</b>	<b><u>3,371</u></b>

**6. Capital Assets**

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

	<u>Beginning</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending</u>
<b>Governmental Activities Capital Assets:</b>	<b>Balance</b>		<b>Increases</b>		<b>Decreases</b>		<b>Balance</b>
Capital Assets Not Being Depreciated:							
Construction in Progress	\$ -	\$	14,676	\$	-	\$	14,676
Land	<u>293,929</u>		<u>-</u>		<u>-</u>		<u>293,929</u>
Total Capital Assets Not Being Depreciated	<u>293,929</u>		<u>14,676</u>		<u>-</u>		<u>308,605</u>
Capital Assets Being Depreciated:							
Buildings and Improvements	6,056,916		-		-		6,056,916
Equipment	925,732		8,937		-		934,669
Vehicles & Apparatus	<u>5,164,006</u>		<u>509,040</u>		<u>-</u>		<u>5,673,046</u>
Total Capital Assets Being Depreciated	<u>12,146,654</u>		<u>517,977</u>		<u>-</u>		<u>12,664,631</u>
Less Accumulated Depreciation for:							
Buildings and Improvements	(1,613,179)		(152,840)		-		(1,766,019)
Equipment	(917,481)		(3,264)		-		(920,745)
Vehicles & Apparatus	<u>(2,541,592)</u>		<u>(216,509)</u>		<u>-</u>		<u>(2,758,101)</u>
Total Accumulated Depreciation	<u>(5,072,252)</u>		<u>(372,613)</u>		<u>-</u>		<u>(5,444,865)</u>
Total Capital Assets Being Depreciated, Net	<u>7,074,402</u>		<u>145,364</u>		<u>-</u>		<u>7,219,766</u>
<b>Total Governmental Activities Capital Assets, Net</b>	<b>\$ <u>7,368,331</u></b>	<b>\$</b>	<b><u>160,040</u></b>	<b>\$</b>	<b><u>-</u></b>	<b>\$</b>	<b><u>7,528,371</u></b>

Depreciation was charged to governmental functions as follows:

Public Safety	\$ 372,613
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During the year ending June 30, 2017, the District incurred \$14,676 in construction costs related to renovations to the Wakefield Station. The construction was not completed until after year end. The District also purchased vehicles in the amount of \$509,040 and equipment for \$8,937.

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**7. Accounts and Other Payable**

The payables at June 30, 2017 are as follows:

	<b>June 30,</b>
	<b>2017</b>
<b>Governmental Funds Payable</b>	
Accounts	\$ 10,818
Accrued Salaries	4,023
<b>Total Government Funds Payable</b>	<b>\$ 14,841</b>

**8. Lease Agreements**

On August 2, 2013, the District entered into a land lease agreement with Verizon Wireless for a tower site. The agreement was signed for five years with \$7,200 per year to be paid to the District. The agreement automatically extends for four additional five year terms unless the leasee terminates the agreement at the end of the current term by giving written notice of intent to terminate at least six months prior to the end of the current term. On May 27, 2015, the District was notified that Tower Alliance would be taking over the Verizon lease in June or July 2015.

On February 1, 2014, the District entered into a ground lease agreement with Gas Utility District No. 1 of West Feliciana Parish. The lease was for 99 years in the amount of \$33,900 which was paid to the District on the date of the lease agreement. The amount recognized by the District as income for the fiscal year June 30, 2017 was \$342. The amount considered unearned revenue for the fiscal year June 30, 2017 was \$32,532.

**9. Long-Term Obligations**

The District has no long-term debt outstanding at June 30, 2017 other than net pension liability of \$631,269 and compensated absences payable of \$2,291 recorded on the government-wide Statement of Net Position.

**10. Retirement System**

Substantially all full-time employees of Fire Protection District No. 1 of West Feliciana Parish are members of the Louisiana Firefighters Retirement System (System), a cost-sharing, multi-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

The District implemented Governmental Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB 68. These standards require the District to record its proportional share of each of the pension plans’ net pension liability and report the following disclosures:

*Plan Description.* The Firefighters’ Retirement System (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 434 of 1979 to provide retirement, disability, and survivor benefits to firefighters in Louisiana. Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters who earn at least \$375 per month and are employed by a municipality, parish, or fire protection district of the State in addition to employees of the Firefighters’ Retirement System.

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

Retirement Benefits:

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.

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 1/3% 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 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity.

An employee may elect an unreduced benefit or any of seven options at retirement. The options are as follows:

1. At death, their beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance.
2. At death, their beneficiary will receive a life annuity equal to the employee's reduced retirement allowance.
3. At death, their beneficiary will receive a life annuity equal to ½ of the employee's reduced retirement allowance.
4. Any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to the employee's retirement allowance limited to a spouse and/or minor children.
5. The member can select a reduced option 2 benefit. However, if the beneficiary predeceases the retiree, the benefit will convert to the maximum. This option is limited to a spouse and/or minor children or handicapped children.
6. The member can select a reduced option 3 benefit. However, if the beneficiary predeceases the retiree, the benefit will convert to the maximum. This option is limited to a spouse and/or minor children.
7. The member can select to receive a guaranteed 2 1/2% COLA every year beginning when the member reaches age 55. In exchange for this COLA, the member takes an actuarially reduced benefit upon retirement.

Death Benefits:

If an active employee dies and is not eligible for retirement, his survivors shall be paid:

1. If the employee is not eligible to retire and dies in the line of duty, their spouse will receive monthly, an annual benefit equal to 2/3 of the employee's average final compensation. If death is not in the line of duty, the spouse will receive monthly, an annual benefit equal to 3.0% of the member's average final compensation multiplied by his total years of service; however, the benefit shall not be less than 40.0%, or more than 60.0% of the employee's average final compensation.
2. Children of deceased employees will receive the greater of \$200 or 10.0% of the member's final average compensation per month until reaching the age of 18 or until the age of 22, if enrolled full time in an institution of higher education. The surviving totally physically handicapped or mentally retarded child of a deceased employee, regardless of age, shall receive the benefits as long as they are dependent on the surviving spouse.
3. If an employee, who is eligible to retire, dies before retiring, the designated beneficiary shall be paid under option 2, survivor benefit equal to member's benefit.

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

Disability Benefits:

If an eligible member is officially certified as disabled by the State Medical Disability Board, he shall receive the greater retirement, if eligible for disability benefits as follows:

1. Any member totally disabled from injury received in the line of duty, shall be paid, on a monthly basis, an annual pension of 60.0% of the average final compensation being received at the time of the disability.
2. Any member of ERS who has become disabled or incapacitated because of continued illness or as a result of any injury received, even though not in the line of duty, and who has 5 years of creditable service, but is not eligible for retirement under the provisions of R. S. 11:2256 may apply for retirement under the provisions of R.S. 11:2258 and shall be retired on 75.0% of the retirement salary to which he would be entitled under R. S. 11:2256 if he were otherwise eligible there under or 25.0% of the member's average salary, whichever is greater.
3. Any retired member or DROP plan participant who becomes disabled for any reason provided for by law shall be permitted to apply for conversion of a service retirement to a service connected disability retirement under R.S. II:2258(B)(I)(e).
4. Should a member who is on disability retirement die and leave a surviving spouse, the surviving spouse shall receive a benefit of \$200 per month. When the member takes disability retirement, he may, in addition, take an actuarially reduced benefit in which case the member's surviving spouse shall receive 50% of the disability benefit being paid immediately prior to the death of the disabled retiree. If the surviving spouse remarries prior to age 55, such benefits shall cease; however, the benefits shall resume upon subsequent divorce or death of the new spouse, and the approval of the board of trustees.

Deferred Retirement Option Plan:

After completing 20 years of creditable 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 ERS cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit.

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

Initial Benefit Option:

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

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Firefighters' Retirement System Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060 or at [www.lafirefightersret.com](http://www.lafirefightersret.com).

*Funding Policy.* Plan members are required by state statute to contribute ten percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The employer

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

contribution rates were 27.25 percent and 29.25 percent of annual covered salary for the plan years ending in 2016 and 2015. The contribution requirements of plan members and the District are established and may be amended by state statute. 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 year.

According to state statute ERS receives insurance premium tax funds from the State of Louisiana. This additional source of income is used as an additional employer contribution and is reported as a non-employer contribution but is not considered a special funding situation. Non-employer contributions were recognized as revenue and excluded from pension expense for the year ended June 30, 2016. During the year ending June 30, 2017, the District recognized revenue as a result of support received from non-employer contributing entities of \$23,959 for its participation in FRS.

The District's total contributions were \$59,507 and \$72,753 in the fiscal years ending June 30, 2017 and 2016, respectively.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* At June 30, 2017, the District reported a liability of \$631,269 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2016, the District's proportion was 0.096511%, which was an increase of 0.003738% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense for the FRS System of \$117,130 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (24,860)
Changes of Assumptions	5,440	(176)
Net difference between projected and actual earnings on pension plan investments	151,715	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	173,640	-
Employer contributions subsequent to the measurement date	63,768	
Total	\$ 394,563	\$ (25,036)

The District reported \$63,768 in deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2016 which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

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

<u>Year</u>	
2017	\$ 55,593
2018	55,593
2019	65,123
2020	44,008
2021	15,850
2022	3,543
2023	1,909
	<u>\$ 241,619</u>

*Actuarial Assumptions.* A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 is as follows:

<b>Valuation Date</b>	June 30, 2016
<b>Actuarial Cost Method</b>	Entry Age Normal

**Actuarial Assumptions:**

Expected Remaining Service Lives	7 years
Investment Rate of Return	7.5%
Inflation Rate	2.875%
Salary Increases	Vary from 15.0% in the first two years of service to 4.75% after 25 years
Cost of Living Adjustments	Only those previously granted

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. 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 setback of standard tables. The result of the procedure indicated that these tables used would produce liability values approximating the appropriate generational mortality tables.

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

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Long-Term Target Asset	Rates of Return	
		Real	Nominal
Fixed Income	24%	1.85%	
Equity	58%	6.77%	
Alternatives	8%	6.67%	
Other	10%	4.30%	
System Total			5.34%
Inflation			3.00%
Expected Arithmetic Nominal Rate			<u>8.34%</u>

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the participating employers calculated using the discount rate of 7.5%, as well as what the employers' net pension liability 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 as of June 30, 2016:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rates	6.50%	7.50%	8.50%
West Feliciana Fire District #1's Share of NPL	\$ 860,053	\$ 631,269	\$ 438,866

## 11. Risk Management

The District is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The District maintains commercial insurance policies for the claims related to the aforementioned risks. The District's payment of the insurance policy deductible is the only liability associated with these policies.

## 12. Contingent Liabilities

The District was not involved in any outstanding litigation or claims at June 30, 2017.

**Fire Protection District No. 1 of West Feliciana Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**13. Prior Period Adjustment**

The District made an adjustment to correct the current year and prior year ad valorem taxes. The net effect to net position and fund balance for the prior year that resulted from this is as follows:

<b>Governmental Activities</b>	<u><b>2016</b></u>
Beginning Net Position, Before Prior Period Adjustment	\$ 11,512,580
Adjustment to Ad Valorem Taxes	(7,585)
Restated Beginning Net Position, After Prior Period Adjustment	<u>\$ 11,504,995</u>
<b>Governmental Funds</b>	<u><b>2016</b></u>
<b>General Fund:</b>	
Beginning Fund Balance, Before Prior Period Adjustment	\$ 4,372,328
Adjustment to Ad Valorem Taxes	(7,585)
Restated Beginning Fund Balance, After Prior Period Adjustment	<u>\$ 4,364,743</u>

**14. Subsequent Events**

On September 13, 2017, the District approved an apparatus contract with Ferrara Fire Apparatus, Inc. to purchase a pumper truck for \$335,000. The estimated delivery is June 1, 2018.

On February 15, 2018, the District entered into a Cooperative Endeavor Agreement with the West Feliciana Hospital District No. 1 for the transfer, management and use of co-owned building, measuring only the 4,664 square foot (under roof) building that the District had constructed (The Bluffs Station, 6309 Freeland Road, St. Francisville, LA) for the sum of \$265,000 of the \$650,000 total cost of the building. The sum shall be payable in eight installments, the first payment of \$51,000 was payable on February 15, 2018, the six payments of \$30,000 each, and a final installment of \$34,000 due beginning December 1, 2018. The agreement describes the Hospital's use of portions of the building and the allocation of expenses on the utilities, insurance, and maintenance of the building. The Hospital District will use the designated area of the building to house an ambulance with paramedic.

Subsequent events have been evaluated by management through February 28, 2018, the date the financial statements were available for issuance. No other events were noted that require recording or disclosure in the financial statements for the year ending June 30, 2017.

# Required Supplemental Information (Part II)

**Fire Protection District No. 1 of West Feliciana Parish**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

	General Fund		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
	Budgeted Amounts			
	Original	Final		
<b>Revenues</b>				
Ad Valorem Tax Revenue	\$ 1,490,000	\$ 1,490,000	\$ 1,565,819	\$ 75,819
Fire Insurance Premium Rebate	45,000	45,000	57,839	12,839
Entergy Grant	-	-	5,000	5,000
Other Income	30,000	30,000	28,665	(1,335)
Interest Income	-	-	25,917	25,917
Lease Income	7,490	7,490	8,072	582
Intergovernmental				
Grants	-	-	14,850	14,850
Contributions	-	-	2,112	2,112
<b>Total Revenues</b>	<u>1,572,490</u>	<u>1,572,490</u>	<u>1,708,274</u>	<u>135,784</u>
<b>Expenditures</b>				
Public Safety				
Administrative	3,750	3,750	2,623	1,127
Advertising	2,000	2,000	5,247	(3,247)
Benefits	81,472	81,472	77,557	3,915
Board Per Diem	2,730	2,730	1,920	810
Contract Labor	32,260	32,260	18,358	13,902
Insurance	148,219	148,219	116,764	31,455
Intergovernmental Payments	-	-	50,959	(50,959)
Payroll Taxes	25,226	25,226	25,293	(67)
Professional Services	14,720	14,720	19,762	(5,042)
Repairs & Maintenance	70,780	70,780	65,547	5,233
Salaries	472,179	472,179	482,953	(10,774)
Supplies	41,040	41,040	42,752	(1,712)
Telephone and Utilities	59,082	59,082	60,698	(1,616)
Training	30,600	30,600	31,058	(458)
Vehicle Expenses	35,275	35,275	27,024	8,251
Other Expenditures	1,900	1,900	1,327	573
Capital Outlay	535,000	535,000	532,653	2,347
<b>Total Expenditures</b>	<u>1,556,233</u>	<u>1,556,233</u>	<u>1,562,495</u>	<u>(6,262)</u>
<b>Excess Revenues (Expenditures)</b>	<u>16,257</u>	<u>16,257</u>	<u>145,779</u>	<u>129,522</u>
<b>Other Financing Sources (Uses)</b>				
Insurance Proceeds	-	-	41,846	41,846
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>41,846</u>	<u>41,846</u>
<b>Net Change in Fund Balances</b>	<u>16,257</u>	<u>16,257</u>	<u>187,625</u>	<u>171,368</u>
<b>Fund Balances, Beginning</b>	4,426,582	4,372,328	4,372,328	-
Prior Period Adjustments (Note 13)			(7,585)	(7,585)
<b>Fund Balance, Beginning Adjusted</b>			<u>4,364,743</u>	
<b>Fund Balances, Ending</b>	<u>\$ 4,442,839</u>	<u>\$ 4,388,585</u>	<u>\$ 4,552,368</u>	<u>\$ 163,783</u>

See Independent Auditor's Report.

**Fire Protection District No. 1 of West Feliciana Parish**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Last 10 Fiscal Years**

State of Louisiana Firefighters' Retirement System	<u>2015</u>	<u>2016</u>	<u>2017</u>
Employer's Proportion of the Net Pension Liability (Assets)	0.073390%	0.092773%	0.096511%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 326,579	\$ 500,706	\$ 631,269
Employer's Covered-Employee Payroll	\$ 141,245	\$ 193,814	\$ 204,733
Employer's Proportionate Share of the Net Position			
Liability (Asset) as a Percentage of its Covered-Employee Payroll	231.2140%	258.3436%	308.3377%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.02%	72.40%	68.16%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

See Independent Auditor's Report.

**Fire Protection District No. 1 of West Feliciana Parish**  
**Schedule of the District's Contributions**  
**Last 10 Fiscal Years**

Parochial Employees' Retirement System of Louisiana:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 57,825	\$ 57,669	\$ 59,507
Contributions in relation to contractually required contributions	<u>56,859</u>	<u>72,753</u>	<u>59,507</u>
Contribution deficiency (excess)	966	(15,084)	-
 Employer's Covered Employee Payroll	 \$ 196,814	 \$ 204,733	 \$ 218,110
Contributions as a % of Covered Employee Payroll	28.8897%	35.5356%	27.2830%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

See Independent Auditor's Report.

## Other Supplemental Information

**Fire Protection District No. 1 of West Feliciana Parish**  
**Schedule of Compensation Paid to Board Members**  
**For the Year Ended June 30, 2017**

<u>Name and Title</u>	<u>Address</u>	<u>Compensation Received</u>	<u>Term Date</u>
Joe Wells, Chair 225-635-3804	P.O. Box 432 St. Francisville, LA 70775	\$ 360	January 2018
Tracy Williams, Vice Chair 225-635-3891	P.O. Box 989 St. Francisville, LA 70775	300	January 2018
David Opperman, Secretary 225-245-0094	8757 Plettenberg Road St. Francisville, LA 70775	300	January 2018
Daniel Stelly, Treasurer 225-635-4798	8975 Reech Road St. Francisville, LA 70775	300	January 2018
Vincent Smith, Member 225-635-6739	13240 US Hwy 61 St. Francisville, LA 70775	300	January 2019
Steve Neal, Member 225-721-1082	P.O. Box 1535 St. Francisville, LA 70775	360	January 2019
William Daniel, Member 225-721-0090	P.O. Box 740 St. Francisville, LA 70775	-	January 2019
		<u>\$ 1,920</u>	

See Independent Auditor's Report.

**Fire Protection District No. 1 of West Feliciana Parish**

**Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head  
For the Year Ended June 30, 2017**

**Agency Head Name: James Wood, Fire Chief**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 75,777
Benefits-Retirement	20,647
Employer Paid Medicare & Social Security	1,237
State Supplemental Pay Received	6,000
	<u>\$ 103,661</u>

See Independent Auditor's Report.

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

To the Board Members of the  
Fire Protection District No. 1 of West Feliciana Parish  
St. Francisville, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire Protection District No. 1 of West Feliciana Parish, St. Francisville, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively compromise the Fire Protection District No. 1 of West Feliciana Parish's basic financial statements, and have issued our report thereon dated February 28, 2018.

**Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as Findings 2017-I1, 2017-I2, and 2017-I3, that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fire Protection District No. 1 of West Feliciana Parish’s financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as Findings 2017-C1 and 2017-C2.

**Fire Protection District No. 1 of West Feliciana Parish’s Response to Findings**

Fire Protection District No. 1 of West Feliciana Parish’s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Fire Protection District No. 1 of West Feliciana Parish’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

Kentwood, Louisiana  
February 28, 2018

**Schedule of Findings and Responses  
For the Year Ended Error! Unknown switch argument.**

**Section I Summary of Auditor's Reports**

*Financial Statements*

a. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified       Qualified   
Disclaimer       Adverse

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

Internal Control:

Material Weaknesses  Yes  No      Significant Deficiencies  Yes  No

Compliance:

Noncompliance Material to Financial Statements  Yes  No

*Federal Awards -NA*

Internal Control over major federal Programs:

Material Weaknesses  Yes  No      Significant Deficiencies  Yes  No

Type of auditor's report issued on compliance for major federal programs:

Unmodified       Qualified   
Disclaimer       Adverse

Are there findings required to be reported in accordance with 2 CFR 200.516(a)

Yes  No

Was a management letter issued?

Yes  No

Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ \_\_\_\_\_

Is the auditee a 'low-risk' auditee, as defined by OMB Circular

Yes  No

**Schedule of Findings and Responses  
For the Year Ended Error! Unknown switch argument.**

**Section II Financial Statement Findings**

**Finding Number: 2017- 1I Inadequate Segregation of Duties (Material Weakness)**

Criteria: Proper segregation of incompatible duties requires that there be different individuals responsible for authorizing transactions, recording transactions and maintaining custody of related assets.

Condition: Duties throughout the financial reporting process, which are considered incompatible, are being performed by the limited staff of the District. Additionally, there is a lack of evidence to support the proper operation of certain compensating controls throughout the year. Specifically: Bank reconciliations are prepared by the CPA, but there is no evidence of subsequent review by someone separate of the reconciliation process. Board minutes do not consistently reflect a Board Review of financial data, including but not limited to budget to actual data at each of the regular Board Meetings. Additionally, minutes do not include financial decisions of the board (i.e. Certificate of Deposit renewals and other transaction approvals, specific approval of purchases above limits set by the District). The majority of disbursements are done by the Fire Chief through EFT. While the District maintains copies of bills and reports from banking software are provided to the board members at board meetings, there is no evidence of such reflected in the minutes. Additionally, neither bank statements nor reconciliations are provided to board members to accompany this provided information.

Cause: Due to the size and nature of the District, there are few employees and as such, some incompatible duties are not adequately segregated. Additionally, board minutes are not accurately detailed to support the operation of certain compensating controls.

Effect: Inadequate segregation of duties exposes the District to several risks, including, but not limited to misappropriation of assets and inaccurate or fraudulent financial reporting. The failure to demonstrate the operation of certain compensating controls increases the pervasiveness of such risks.

Recommendation: The District should attempt to segregate incompatible duties possibly through the use of all personnel or staff and the District's outside accountant as appropriate. The following specific recommendations are also made:

- The Board should be presented with financial data reports, including but not limited to, revenue and expenditure statements, including budget to actual comparisons and a balance sheet. The Board should review the financial information presented at board meetings, and periodically review other financial information.
- Minutes of the board meeting should be taken in enough detail to evidence the Board's review and approval of financial data presented and specific transactions.
- The Board, or at least one member of the Board, should review bank statements and reconciliations.

Management's Response: The Board and Fire Chief are of the opinion that they are closely monitoring the activities of the District; they are working on additional written policies to improve those controls by implementing the written policies and procedures recommended by the Louisiana Legislative Auditor for Local Governments.

Contact Person:  
James Wood, Fire Chief  
(225) 635-4312

**Schedule of Findings and Responses**  
**For the Year Ended Error! Unknown switch argument.**

**Finding Number: 2017- I2 Lack of Controls over Capital Assets (Material Weakness)**

Criteria: Adequately designed and operating internal controls over financial reporting provides for, among other things, accurate recording of transactions as well as safeguarding of assets. Such controls include, but are not limited to, preparation and reconciliation of detailed subsidiary ledgers that are supported by detailed records; specifically, detailed capital assets listing and records. Additionally, a physical inventory of capital assets allows for the proper accounting for capital assets and provides an opportunity, if one otherwise wouldn't have existed, to note any indicators of impairment.

Condition: The District does not maintain a detailed fixed asset schedule to support the balance in the financial statements and was unable to provide the supporting records for older fixed assets. The District performs weekly inspections of all of its apparatus and equipment, but because there is no complete detailed fixed asset listing, the District was not able to perform a complete physical inventory of fixed assets recorded in the financial statements.

Cause: Failure to prepare a detailed fixed asset listing in prior years. Additionally, inadequate financial records available and a lack of adequate time to complete the preparation of such a listing.

Effect: Inadequate controls over capital assets exposes the District to several risks, including, but not limited to misappropriation of assets and inaccurate or fraudulent financial reporting.

Recommendation: The District should locate or obtain from third party vendors, detailed records to support fixed assets. From these records, the District should prepare a detailed fixed asset listing. Finally, the District should perform a complete physical inventory of all of their capital assets at least annually.

Management's Response: The Fire Chief and Board are working on adopting the required additional written policies and procedures to maintain the required record keeping of the District's capital assets.

Contact Person:  
James Wood, Fire Chief  
(225) 635-4312

**Finding Number: 2017- I3 Inadequate Controls over Disbursements (Material Weakness)**

Criteria: Adequately designed and operating internal controls over financial reporting provides for, among other things, adequate documentation to support transactions and to allow for proper review and approval of transactions; including, but not limited to, disbursements.

Condition: During procedure performed during the agreed upon procedures engagement, it was noted that the District was unable to provide detailed receipts supporting all credit card transactions.

Cause: The District's financial and related records for credit cards were not maintained in an organized manner. The District maintains all disbursement documentation for credit cards in one file for the entire year.

Effect: Without preserving and maintaining individual credit card receipts, adequate records do not exist to demonstrate proper matching of individual receipts to credit card statements or adequate review and approval of such specific transactions. Consequently, inadequate recordkeeping to support specific credit card transactions fails to demonstrate properly designed and operating internal controls over such transactions and exposes the District to several risks, including, but not limited to misappropriation of assets and inaccurate or fraudulent financial reporting.

Recommendation: The District should ensure that all individual credit card receipts are collected and matched to the credit card statements. Prior to paying credit card statements, the District should also ensure that the

**Schedule of Findings and Responses**  
**For the Year Ended Error! Unknown switch argument.**

individual receipts accompany the statement for review and approval of the disbursement. Finally, the District should implement a more organized recordkeeping system for credit cards to ensure that all records are promptly filed and organized in a manner which supports all financial activities and demonstrates properly designed and operating internal controls.

Management's Response: The Fire Chief and Board are working on ensuring the proper operation of the District's policy regarding credit card usage.

Contact Person:  
James Wood, Fire Chief  
(225) 635-4312

**Finding Number: 2017- C1 Inadequate Recordkeeping (Noncompliance)**

Criteria: The District is required to maintain accounting records in such a manner as to comply with RS 24:513, requiring an audit of the District's financial statements. Louisiana Revised Statute (RS 44:36) further requires the preservation of records for the period(s) of time for a period of record retention prescribed in the statute. Finally, certain records related to fixed assets must be maintained as described in Louisiana Revised Statute (RS 24:515 B.(1)) as follows: "The head of every auditee subject to examination and audit under the provisions of R.S. 24:513(A) shall maintain records of all land, buildings, improvements other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable.

The records shall include information as to the date of purchase of such property or equipment, the initial cost, the disposition, if any, the purpose of such disposition, and the recipient of the property or equipment disposed of.

When ascertaining the exact cost, exact selling price, or any other relevant information on property or equipment obtained prior to January 1, 1980, creates a hardship on the auditee, such agency may provide estimates of the information. The records shall be made available to the legislative auditor or, when the audit is conducted by a certified public accountant, the certified public accountant, at the time of examination and audit of the auditee, or any such time as the legislative auditor or certified public accountant requests the copies of such records be furnished. The records shall not include office supplies. Said records shall be used as one of the criteria in determining the rating which the auditee will be given."

Condition: The District does not maintain a detail fixed asset schedule and was unable to provide supporting records for fixed assets as described in Finding 2017-I2 above. Additionally, the District failed to maintain adequate accounting records for credit card purchases as described in Finding 2017-I3.

Cause: See Findings 2017-I2 and 2017-I3 above.

Effect: Apparent violation of the above references statutes.

Recommendation: See Findings 2017-I2 and 2017-I3 above.

Management's Response: See Findings 2017-I2 and 2017-I3 above.

Contact Person:  
James Wood, Fire Chief  
(225) 635-4312

**Finding Number: 2017- C2 Local Budget Act (Noncompliance)**

Criteria: The Local Budget Act, specifically LRS 39:1305, requires a comprehensive budget be presented for the general fund. The budget document must include a budget message and a statement. The budget message must be signed by the preparer and should include a summary description of the proposed financial plan, policies, and objectives, assumptions, budgetary basis, and a discussion of the most important features. The statement must

**Schedule of Findings and Responses**  
**For the Year Ended Error! Unknown switch argument.**

show the estimated fund balances at the beginning of the year; estimates of all receipts and revenues to be received; revenues itemized by source; recommended expenditures itemized by agency, department, function, and character; other financing sources and uses by source and use; and the estimated fund balance at the end of the fiscal year. Such statements must also include a clearly presented side-by-side detailed comparison of such information for the current year, including the fund balances at the beginning of the year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year; estimated and actual revenues itemized by source; year-to-date actual expenditures and estimates of all expenditures to be made the remainder of the year itemized by agency, department, function, and character; other financing sources and uses by source and use, both year-to-date actual and estimates for the remainder of the year; the year-to-date actual and estimated fund balances as of the end of the fiscal year; and the percentage change for each item of information.

Condition: The District prepared an extensive budget document including a detailed budget for 2017. However, the District did not present its 2017 budget in the format prescribed by the above referenced statute nor did it include the required budget message. The budget document contains extensive detailed information and as such, the condition is primarily form over content in nature.

Cause: The budget document contains extensive detailed information. There was an apparent oversight in regards to specific format required.

Effect: Apparent noncompliance with the above referenced statute.

Recommendation: The District should present its budget in accordance with the Local budget Act.

Management's Response: The Fire Chief attended seminars of the Louisiana Legislative Auditor and prepared the District's budget based on what he learned from those seminars. The current year budget will be amended using the required format of the Local Government Budget Act, and the District will prepare future budgets using the same format.

Contact Person:  
James Wood, Fire Chief  
(225) 635-4312

**Section III Federal Award Findings and Questioned Costs**

None

**Fire Protection District No. 1 of West Feliciana Parish  
Schedule of Prior Year Findings and Responses  
For the Year Ended June 30, 2017**

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

None

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

None

**Section III Management Letter**

None

This schedule was prepared by management.

Fire Protection District No. 1 of West Feliciana  
Parish

Statewide Agreed-Upon Procedures

As of and for the Year Ended June 30, 2017



**BRUCE HARRELL & COMPANY**  
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## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board Members of the  
Fire Protection District No. 1 of West Feliciana Parish  
And the Louisiana Legislative Auditor  
St. Francisville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Fire Protection District No. 1 of West Feliciana Parish (Entity) and the Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 01, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUP's.

This agreed-upon procedures engagement was performed 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

*Written policies and procedures were obtained and address the functions noted above.*

- 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.

*Written policies and procedures were obtained and address the functions noted above, except how vendors are added to the vendor list. These procedures were found to be in place during the audit, but not included in written procedures.*

- c) **Disbursements**, including processing, reviewing, and approving  
*Written policies and procedures were obtained and address the functions noted above, except the processing of disbursements.*
- d) **Receipts**, including receiving, recording, and preparing deposits  
*Written policies and procedures were obtained and do not address the functions noted above.*
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.  
*Written policies and procedures were obtained and address the function noted above.*
- 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  
*Written policies and procedures were obtained and do not address the functions noted above.*
- 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  
*Written policies and procedures were obtained and address the functions noted above, except for the monitoring of card usage.*
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers  
*Written policies and procedures were obtained and address the functions noted above, except for dollar thresholds.*
- 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. Note: Ethics requirements are not applicable to nonprofits.  
*Written policies and procedures were obtained, but do not address the specific functions noted above.*
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
*Written policies and procedures were obtained and do not address the functions noted above; however, the District currently has no debt.*

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

---

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.  
*The Board meets 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).

*The Board minutes reflect the finance report and CPA report.*

- 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.

*The District was not deficit spending.*

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

*The Board minutes reflected non-budgetary financial information.*

### ***Bank Reconciliations***

---

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

*Obtained listing of client bank accounts from management 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. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

*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 in which a bank statement was produced by the bank.*

- 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 for all accounts are prepared by the outside CPA, but had no evidence of management review.*

- 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 noting that there were no outstanding checks for more than six months.*

### ***Collections***

---

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

*Obtained 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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

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

*The employees responsible for collecting cash were not bonded. The employee that opens the mail does not maintain a receipt ledger, prepares the deposits, and delivers the deposit to the bank. The bank accounts are reconciled by the outside CPA.*

- 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.

*There is no receipt ledger maintained.*

- 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.

*Deposits were made within one day of collections.*

- 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.

*Written documentation was obtained and do not address the functions noted above.*

***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 19 exceptions where purchase orders were not used. However, all disbursements did include proper supporting documentation. Initiation and approval functions are separate.*

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

*Examined supporting documentation for each of the 25 disbursements selected and found 19 exceptions where purchase orders were not used. However, all disbursements did include proper supporting documentation. Initiation and approval functions are separate.*

- 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 selected and found 19 exceptions where purchase orders were not used. However, all disbursements did include proper supporting documentation. Initiation and approval functions are separate. Invoices served as receiving reports in the supporting documentation for these disbursements. There were 4 exceptions where payments were based on statements from vendors without a detailed invoice.*

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.

*Written documentation was obtained and did not address adding vendors. However the outside CPA adds vendors as invoices are approved.*

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.

*Written documentation was obtained and it was found that the Chief has signatory authority and makes final authorization for disbursements and initiation of purchases. Recording of purchases is completed by the outside CPA.*

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.

*Inquiry noted no exceptions.*

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

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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, bank cards, and fuel cards, including the card numbers and name of person who maintain possession of cards, and management's representation that the listing is complete was obtained.*

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

*Listing was obtained and randomly selected 10 cards.*

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

*Monthly statements were obtained and the approval of 6 cards was on the individual statements not the individual receipts.*

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

*No finance charges or late fees were noted.*

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)

*Of the 51 charges reviewed, receipts were missing for 22 of them.*

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

*No exceptions noted. Business purposes noted on statement, not on receipts.*

- 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***

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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.

*Listing of all travel and expense reimbursements by person and management's representation that the listing is complete was obtained.*

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

*Policies were obtained. No amounts listed exceed GSA rates.*

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

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

*No exceptions noted.*

- b) Report whether each expense is supported by:

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

### ***Contracts***

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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.

*Listing of all contracts in effect and management's representation that the listing is complete was obtained.*

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

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

*No exceptions noted.*

- 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.

*No amendments noted.*

- 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.

*No exceptions noted.*

- 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***

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- 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.

*No exceptions noted.*

- 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.

*No exceptions noted.*

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)***

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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.

*One exception noted. The employee did not complete the ethic requirement in the fiscal year, but did complete for the calendar year for 2016 and 2017. The dates of completion, January 28, 2016 and August 5, 2017, fell outside of the fiscal year of the agency.*

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

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

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

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

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

#### ***Other***

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

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

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

*Required notice was posted on the entity's premises. The entity has discontinued the website.*

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 the control or compliance. Accordingly, this report is not suitable for any other purposes. Under Louisiana Revised Statute R.S.24:513, this report is distributed by the LLA as a public document.



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation  
Kentwood, Louisiana

February 28, 2018