

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

**FINANCIAL REPORT**

As of December 31, 2016

THIBODEAUX ACCOUNTING COMPANY  
A LIMITED LIABILITY COMPANY  
POST OFFICE BOX 34  
RAYNE, LOUISIANA 70578

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

**C O N T E N T S**

|  | <u>Page</u> |
|--|-------------|
| <b>INDEPENDENT AUDITOR'S REPORT</b>  | 1 - 3       |
| <b>BASIC FINANCIAL STATEMENTS</b>  |             |
| <b>GOVERNMENT-WIDE FINANCIAL STATEMENTS:</b>   |             |
| Statement of Net Position  | 6           |
| Statement of Activities  | 7           |
| <b>FUND FINANCIAL STATEMENTS</b>   |             |
| Governmental Funds:  |             |
| Balance Sheet  | 9           |
| Reconciliation of the Governmental Funds Balance Sheet to<br>the Statement of Net Position   | 10          |
| Statement of Revenues, Expenditures, and Changes in Fund Balances  | 11          |
| Reconciliation of the Governmental Funds Statement of Revenues,<br>Expenditures, and Changes in Fund Balances to the<br>Statement of Activities  | 12          |
| <b>NOTES TO THE FINANCIAL STATEMENTS</b>   | 13 - 20     |
| <b>REQUIRED SUPPLEMENTARY INFORMATION</b>  |             |
| Budget Comparison Schedule - General Fund  | 22          |
| <b>OTHER SUPPLEMENTARY INFORMATION</b>   |             |
| Schedule of Compensation, Benefits, and Other Payments to<br>Agency Head or Chief Executive Officer  | 24          |
| <b>INTERNAL CONTROL AND COMPLIANCE</b>   |             |
| <b>REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING<br/>AND ON COMPLIANCE AND OTHER MATTERS BASED ON<br/>AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN<br/>ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b> | 26 - 27     |
| <b>SCHEDULE OF PRIOR YEAR AUDIT FINDINGS</b>   | 28          |
| <b>SCHEDULE OF CURRENT YEAR FINDINGS &amp; MANAGEMENT'S<br/>RESPONSES AND CORRECTIVE ACTION PLAN</b>   | 29 - 31     |

# THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

---

P. O. Box 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

---

## INDEPENDENT AUDITOR'S REPORT

To Lee Hebert and the Board of Directors of  
Fire Protection District No. 9 of  
the Parish of Acadia, State of Louisiana  
Rayne, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fire Protection District No. 9 of the Parish of Acadia, Rayne, Louisiana, a component unit of the Acadia Parish Policy Jury, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Fire Protection District No. 9 of the Parish of Acadia as of December 31, 2016, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

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

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

Accounting principles generally accepted in United States of America require that the budgetary comparison information on page 22 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer on page 24, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer is the responsibility of management and was 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 schedule of compensation, benefits, and other payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fire Protection District No. 9 of  
the Parish of Acadia

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017, on our consideration of the Fire Protection District No. 9 of the Parish of Acadia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

  
**Thibodeaux Accounting Company**  
A Limited Liability Company

Rayne, Louisiana  
June 28, 2017

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

STATEMENT OF NET POSITION  
December 31, 2016

With Comparative Actual Amounts for Year Ended December 31, 2015

| <u>ASSETS</u>                    | <u>GOVERNMENTAL ACTIVITIES</u> |                     |
|----------------------------------|--------------------------------|---------------------|
|                                  | 2016                           | (Memo Only)<br>2015 |
| Current Assets:                  |                                |                     |
| Cash and cash equivalents        | \$ 222,350                     | \$ 96,011           |
| Taxes receivable, net            | 362,494                        | 355,746             |
| Prepaid expenses                 | 29,551                         | 27,928              |
| Total current assets             | <u>\$ 614,395</u>              | <u>\$ 479,685</u>   |
| Noncurrent Assets:               |                                |                     |
| Restricted assets                | \$ 545,638                     | \$ 537,869          |
| Capital assets (net)             | 1,492,415                      | 1,660,958           |
| Total noncurrent assets          | <u>\$ 2,038,053</u>            | <u>\$ 2,198,827</u> |
| Total Assets                     | <u>\$ 2,652,448</u>            | <u>\$ 2,678,512</u> |
| <u>LIABILITIES</u>               |                                |                     |
| Current Liabilities:             |                                |                     |
| Accounts and other payables      | \$ 14,012                      | \$ 123,571          |
| Bonds payable                    | 96,000                         | 92,000              |
| Total current liabilities        | <u>\$ 110,012</u>              | <u>\$ 215,571</u>   |
| Long-Term Liabilities:           |                                |                     |
| Bonds payable                    | \$ 313,000                     | \$ 409,000          |
| Total long-term liabilities      | <u>\$ 313,000</u>              | <u>\$ 409,000</u>   |
| Total Liabilities                | <u>\$ 423,012</u>              | <u>\$ 624,571</u>   |
| <u>NET POSITION</u>              |                                |                     |
| Net investment in capital assets | \$ 1,083,415                   | \$ 1,159,958        |
| Restricted for debt service      | 422,320                        | 537,869             |
| Unrestricted                     | 723,701                        | 356,114             |
| Total Net Position               | <u>\$ 2,229,436</u>            | <u>\$ 2,053,941</u> |

The Accompanying Notes Are An Integral Part of  
These Financial Statements



**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

**STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2016**

With Comparative Actual Amounts for Year Ended December 31, 2015

|  | <u>GOVERNMENTAL ACTIVITIES</u> |                             |
|--|--------------------------------|-----------------------------|
|  | <u>2016</u>                    | <u>(Memo Only)<br/>2015</u> |
| <u>EXPENSES</u>                                      |                                |                             |
| General Government:                                  |                                |                             |
| Finance and administration                           | \$ 143,457                     | \$ 128,879                  |
| Interest on long-term debt                           | 16,145                         | 18,522                      |
| Depreciation   | 168,543                        | 168,171                     |
| Total Expenses                                       | <u>\$ 328,145</u>              | <u>\$ 315,572</u>           |
| <br><u>GENERAL REVENUES</u>                          |                                |                             |
| Ad valorem taxes                                     | \$ 420,966                     | \$ 397,250                  |
| Intergovernmental revenue - fire<br>insurance rebate | 51,920                         | 58,867                      |
| Interest income                                      | 7,769                          | 8,779                       |
| Insurance claim                                      | 6,163                          | -                           |
| Sale of Equipment                                    | 15,000                         | -                           |
| Other income   | 1,822                          | -                           |
| Total General Revenues                               | <u>\$ 503,640</u>              | <u>\$ 464,896</u>           |
| <br>Change in Net Position                           | \$ 175,495                     | \$ 149,324                  |
| <br>Net Position, Beginning of Year                  | <u>2,053,941</u>               | <u>1,904,617</u>            |
| <br>Net Position, End of Year                        | <u>\$ 2,229,436</u>            | <u>\$ 2,053,941</u>         |

The Accompanying Notes Are An Integral Part Of  
These Financial Statements

**FUND FINANCIAL STATEMENTS (FSS)**

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
December 31, 2016**

With Comparative Actual Amounts for Year Ended December 31, 2015

| <u>ASSETS</u>                              | General<br>Fund     | Debt Service<br>Fund | Total<br>(Memorandum Only) |                     |
|--|---------------------|----------------------|----------------------------|---------------------|
|  |                     |                      | 2016                       | 2015                |
| Current Assets:                            |                     |                      |                            |                     |
| Cash and cash equivalents                  | \$ 222,350          | \$ -                 | \$ 222,350                 | \$ 96,011           |
| Restricted assets                          | 545,638             | -                    | 545,638                    | 537,869             |
| Taxes receivable, net                      | 362,494             | -                    | 362,494                    | 355,746             |
| Prepaid expenses                           | 29,551              | -                    | 29,551                     | 27,928              |
| <b>Total Assets</b>                        | <b>\$ 1,160,033</b> | <b>\$ -</b>          | <b>\$ 1,160,033</b>        | <b>\$ 1,017,554</b> |
| <br><u>LIABILITIES &amp; FUND BALANCES</u> |                     |                      |                            |                     |
| Current Liabilities:                       |                     |                      |                            |                     |
| Accounts and other payables                | \$ 14,012           | \$ -                 | \$ 14,012                  | \$ 123,571          |
| Fund Balances:                             |                     |                      |                            |                     |
| Restricted for debt service                | \$ 545,638          | \$ -                 | \$ 545,638                 | \$ 537,869          |
| Nonspendable, prepaid expenses             | 29,551              | -                    | 29,551                     | 27,928              |
| Unassigned                                 | 570,832             | -                    | 570,832                    | 328,186             |
| <b>Total Fund Balances</b>                 | <b>\$ 1,146,021</b> | <b>\$ -</b>          | <b>\$ 1,146,021</b>        | <b>\$ 893,983</b>   |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 1,160,033</b> | <b>\$ -</b>          | <b>\$ 1,160,033</b>        | <b>\$ 1,017,554</b> |

The Accompanying Notes Are An Integral Part of  
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
December 31, 2016

|   | <u>2016</u>         |
|---|---------------------|
| Total fund balance for governmental funds   | \$ 1,146,021        |
| Total net position reported for governmental activities in the statement of net position is different because:  |                     |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:      |                     |
| Land  | 5,000               |
| Buildings and improvements, net of \$115,824 accumulated depreciation   | 257,529             |
| Equipment, net of \$1,328,413 accumulated depreciation  | 1,229,886           |
| Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds. |                     |
| Bonds, notes payable, and capital leases  | <u>(409,000)</u>    |
| Total net position of governmental activities   | <u>\$ 2,229,436</u> |

The Accompanying Notes Are An Integral Part of  
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE

For the Year Ended December 31, 2016

With Comparative Actual Amounts for Year Ended December 31, 2015

| <u>REVENUES</u>  | General<br>Fund | Debt Service<br>Fund | Total<br>(Memorandum Only) |              |
|--|-----------------|----------------------|----------------------------|--------------|
|  |                 |                      | 2016                       | 2015         |
| Ad valorem taxes   | \$ 420,966      | \$ -                 | \$ 420,966                 | \$ 397,250   |
| Intergovernmental revenues - fire<br>insurance rebate        | 51,920          | -                    | 51,920                     | 58,867       |
| Interest income  | 7,769           | -                    | 7,769                      | 8,779        |
| Insurance claim  | 6,163           | -                    | 6,163                      | -            |
| Sale of equipment  | 15,000          | -                    | 15,000                     | -            |
| Other income   | 1,822           | -                    | 1,822                      | -            |
| Total Revenues   | \$ 503,640      | \$ -                 | \$ 503,640                 | \$ 464,896   |
| <u>EXPENDITURES</u>  |                 |                      |                            |              |
| General Government:  |                 |                      |                            |              |
| Finance and administration                                   | \$ 143,457      | \$ -                 | \$ 143,457                 | \$ 128,879   |
| Capital outlay   | -               | -                    | -                          | 364,210      |
| Debt Service:  |                 |                      |                            |              |
| Principle retirement   | -               | 92,000               | 92,000                     | 89,000       |
| Interest and fiscal changes                                  | -               | 16,145               | 16,145                     | 18,522       |
| Total Expenditures   | \$ 143,457      | \$ 108,145           | \$ 251,602                 | \$ 600,611   |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ 360,183      | \$ (108,145)         | \$ 252,038                 | \$ (135,715) |
| OTHER FINANCING SOURCES (USES)                               |                 |                      |                            |              |
| Transfers in   | \$ -            | \$ 108,145           | \$ 108,145                 | \$ 107,522   |
| Transfers out  | (108,145)       | -                    | (108,145)                  | (107,522)    |
| Total other financing sources and uses                       | \$ (108,145)    | \$ 108,145           | \$ -                       | \$ -         |
| Net Change in Fund Balance                                   | \$ 252,038      | \$ -                 | \$ 252,038                 | \$ (135,715) |
| Fund Balance, Beginning of Year                              | 893,983         | -                    | 893,983                    | 1,029,698    |
| Fund Balance, End of Year                                    | \$ 1,146,021    | \$ -                 | \$ 1,146,021               | \$ 893,983   |

The Accompanying Notes Are An Integral Part Of  
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE TO CHANGE IN NET POSITION FOR THE  
STATEMENT OF ACTIVITIES  
December 31, 2016

|   | 2016       |
|---|------------|
| Net change in fund balance - governmental fund  | \$ 252,038 |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p style="padding-left: 20px;">Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> <p style="padding-left: 20px;">Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance</p> <p style="padding-left: 20px;">Depreciation expense for the year then ended</p> <p style="padding-left: 20px;">Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the Statement of Net Position.</p> <p style="padding-left: 20px;">Debt principal repayment</p> |            |
|   | -          |
|   | (168,543)  |
|   | 92,000     |
| Change in net position for statement of activities  | \$ 175,495 |

The Accompanying Notes Are An Integral Part of  
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2016**

**Note 1. Summary of Significant Accounting Policies:**

**(A) Financial Reporting Entity**

The Fire Protection District No. 9 of the Parish of Acadia, State of Louisiana was created as a fire protection district by resolution of the Police Jury of the Parish of Acadia, State of Louisiana on January 11, 2000 to provide fire protection services for the City of Rayne and certain rural communities. The district shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The district shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary or proper for effective fire prevention and control.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Acadia Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Acadia Parish Government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Acadia Parish Government.
2. Organizations for which the Acadia Parish Government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The district was determined to be a component unit of the Acadia Parish Police Jury financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Acadia Parish Policy Jury maintains fiscal and budgetary control over the District and must approve any holding of an election or incurring of debt or levy of any taxes or parcel fees by the board.

**(B) Basis of Presentation**

The accompanying basic financial statements of the Fire Protection District No. 9 of the Parish of Acadia, State of Louisiana (hereafter referred to as the District) have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2016**

(C) Fund Accounting

The District uses funds to maintain its financial records and report the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the District's general activities including the collection and disbursements of specific or legally restrictive monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The following is a description of the District's governmental funds:

- a. General Fund – the primary operating fund of the District and it accounts for all financial resources, except those required to be account for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.
- b. Debt Service Fund – accounts for transactions related to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the General Long-Term Debt Account Group.

(D) Measurement Focus, Basis of Accounting and Financial Statement Presentation

Fund Financial Statements

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

The amounts reflected in the Governmental Funds use the modified accrual basis of accounting. Under this basis of accounting, revenues are generally recognized when they both become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the year end. Ad valorem tax revenue and insurance rebate revenue are recorded when due. Substantially, all other revenues are recorded when received.



**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2016**

Expenditures (including capital outlays) are generally recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due.

**Government-Wide Financial Statements**

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the financial activities of the Fire Protection District No. 9 of the Parish of Acadia as a whole. These statements include all the non-fiduciary activities of the District. Information contained in these statements reflects 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. Ad valorem or property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**(E) Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable government-wide financial statements, capital assets are capitalized at historical cost. 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 \$2,500 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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 | 10 - 40 years          |
| Equipment                  | 5 - 15 years           |

**(F) Fund Balance - Fund Financial Statements –**

Fire Protection District No. 9 of Acadia Parish adopted GASB 54 in the year ended December 31, 2011. As such, fund balances of the governmental funds are classified as follows:

*Nonspendable-* funds that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted-* funds that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed-* funds that are constrained by limitations that the government imposes on itself. These amounts are imposed at the highest level of authority. These amounts are binding unless removed in the same manner that it was imposed and any action must be taken prior to year-end.

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2016**

*Assigned-* funds whose intended use has been established. These amounts can be, but are not required to be, imposed at the highest level of authority. They do not have to be binding and action does not have to be taken prior to year-end.

*Unassigned-* all other spendable amounts.

The District considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The District also considers committed fund balances to be spent first when other unrestricted fund balance classification is available for use.

**(G) Deferred Outflows and Deferred Inflows**

In March 2012, the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement 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. This statement is effective for periods beginning after December 15, 2012, and was implemented in fiscal year 2013. The District has determined that they have no deferred outflows or inflows as defined by this standard.

**(H) Net Position - Government-Wide Statements -**

In June 2011, the GASB issued Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components assets, deferred outflows or resources, liabilities and deferred inflows of resources. The District adopted GASB Statement 63 in 2012.

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

1. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows or resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
2. Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the District's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
3. Unrestricted net position – consist of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted resources first, then unrestricted resources as they are needed.

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2016**

(I) Estimates

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

(J) Encumbrances

Encumbrance accounting is employed as an extension of the formal budgetary process. Under this method, purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Any encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures of liabilities. There were no encumbrances outstanding at December 31, 2016 as the District does not utilize this method.

(K) Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

**Note 2. Cash and Investments**

Cash consists of amounts in demand deposit, cash on hand, passbook savings accounts, and interest bearing demand deposit accounts with federally insured financial institutions. 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.

At December 31, 2016, the carrying amount of the District's deposits totaled \$341,514 and the bank balance was \$341,514. The deposits were covered by federal depository insurance and pledged securities. The carrying amount of investments totaled \$426,474.

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2016

**Note 3. Capital Assets**

Capital assets and depreciation activities as of and for the year ended December 31, 2016 are as follows:

|  | 2016                  |              |             | Balance<br>12/31/2016 |
|--|-----------------------|--------------|-------------|-----------------------|
|  | Balance<br>12/31/2015 | Additions    | Retirements |                       |
| Governmental activities:               |                       |              |             |                       |
| Capital assets, not being depreciated  |                       |              |             |                       |
| Land                                   | \$ 5,000              | \$ -         | \$ -        | \$ 5,000              |
| Capital assets being depreciated       |                       |              |             |                       |
| Buildings                              | \$ 373,353            | \$ -         | \$ -        | \$ 373,353            |
| Equipment                              | 2,558,299             | -            | -           | 2,558,299             |
| Total capital assets being depreciated | \$ 2,931,652          | \$ -         | \$ -        | \$ 2,931,652          |
| Less accumulated depreciation for:     |                       |              |             |                       |
| Buildings                              | \$ 103,365            | \$ 12,459    | \$ -        | \$ 115,824            |
| Equipment                              | 1,172,329             | 156,084      | -           | 1,328,413             |
| Total accumulated depreciation         | \$ 1,275,694          | \$ 168,543   | \$ -        | \$ 1,444,237          |
| Total capital assets                   | \$ 1,660,958          | \$ (168,543) | \$ -        | \$ 1,492,415          |

Total depreciation expense for the year ended December 31, 2016 was \$168,543.

**Note 4. Ad Valorem Taxes**

Ad Valorem Taxes attach as an enforceable lien on property as of January 1 of each year. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Acadia Parish and are collected by the Acadia Parish Sheriff. The taxes are remitted to the District net of deductions for Pension Fund contributions.

Taxes are budgeted and the revenue is recognized in the year they are billed.

A 10 year, 10 mill property tax renewal was passed by the voters of the District in October 2008 for the funding of fire protection for a period of ten (10) years, beginning with the year 2010 and ending with the year 2019. The millage was for the purpose of acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment in the district, including fire trucks, and paying the cost of obtaining water for fire protection purposes. For the year ended December 31, 2016, taxes of 10.0 mills were levied on property with taxable assessed valuations totaling \$41,903,114, net of the homestead exemption. Total taxes levied, exclusive of homestead exemptions, was \$417,355 for 2016, all of which is considered collectible.

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2016**

**Note 5. Bonds**

On March 8, 2010, a resolution authorizing the incurring of debt and issuance of Nine Hundred Thousand Dollars (\$900,000) of Certificates of Indebtedness, Series 2010, by the Fire Protection District No. 9 of the Parish of Acadia, State of Louisiana was passed. These bonds were issued for the purpose of acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment in the District, including fire trucks, and paying the cost of obtaining water for fire protection purposes. The Certificates dated April 8, 2010 have an interest rate of 3.175% payable semiannually on March 1 and September 1 of each year commencing on March 1, 2011.

The annual requirements to amortize the outstanding debt as of December 31, 2016, including interest payments, are as follows:

| Year Ending<br>December 31, | Principal  | Interest  | Total      |
|-----------------------------|------------|-----------|------------|
| 2017                        | \$ 96,000  | \$ 13,320 | \$ 109,320 |
| 2018                        | 100,000    | 10,010    | 110,010    |
| 2019                        | 104,000    | 6,310     | 110,310    |
| 2020                        | 109,000    | 2,180     | 111,180    |
|                             | \$ 409,000 | \$ 31,820 | \$ 440,820 |

The Certificates mature serially on March 1, of each year through 2020 and are secured by and payable from an irrevocable pledge and dedication of the funds derived from the levy and collection of the 10 mill property tax.

The Certificates maturing on March 1, 2015 and thereafter are callable for redemption in full or in part at any time, on or after March 1, 2014 and if in part, in inverse order of maturity, at the principal amount thereof, plus accrued interest to the date of redemption. Official notice of such call of any of the Certificates for redemption shall be given by means of first class mail, postage prepaid, by notice deposited in the United States mail not less than fifteen (15) days prior to the redemption date addressed to the registered owner of each Certificate to be redeemed at his address as shown on the registration books of the Paying Agent.

**Note 6. Changes in General Long-Term Debt**

|  | Balance<br>January 1,<br>2016 | Increases | Decreases   | Balance<br>December 31,<br>2016 |
|--|-------------------------------|-----------|-------------|---------------------------------|
| Governmental activities:                     |                               |           |             |                                 |
| Certificates of Indebtedness,<br>Series 2010 | \$ 501,000                    | \$ -      | \$ (92,000) | \$ 409,000                      |
| Total  | \$ 501,000                    | \$ -      | \$ (92,000) | \$ 409,000                      |

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2016**

**Note 7. Prepaid Items**

Prepaid items at December 31, 2016 consist of prepaid insurance.

**Note 8. Compensated Absences**

The District does not have any paid employees; therefore, it does not have a formal leave policy.

**Note 9. Risk Management**

The District is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

**Note 10. Litigation**

As of December 31, 2016, there was no litigation or claims against the District.

**Note 11. Related Party Transactions**

There were no related party transactions during the period ended December 31, 2016.

**Note 12. Evaluation of Subsequent Events**

The Organization has evaluated subsequent events through June 28, 2017, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL FUND  
For the Year Ended December 31, 2016**

With Comparative Actual Amounts for the Year Ended December 31, 2015

|  | 2016              |                   |                     | Variance<br>Favorable<br>(Unfavorable) | (Memo Only)<br>2015<br>Actual |
|--|-------------------|-------------------|---------------------|--|-------------------------------|
|  | Budget            |                   | Actual              |  |                               |
|  | Original          | Final             |                     |  |                               |
| <b>Revenues:</b>   |                   |                   |                     |  |                               |
| Income - taxes   | \$ 328,287        | \$ 341,291        | \$ 420,966          | \$ 79,675                              | \$ 397,250                    |
| Insurance rebate   | 51,806            | 51,920            | 51,920              | -                                      | 58,867                        |
| Miscellaneous income   | 651               | 21,505            | 1,822               | (19,683)                               | -                             |
| Insurance claim  | -                 | -                 | 6,163               | 6,163                                  | -                             |
| Sale of Equipment  | -                 | -                 | 15,000              | 15,000                                 | -                             |
| Interest   | -                 | -                 | 7,769               | 7,769                                  | 8,779                         |
| <b>Total Revenues</b>  | <b>\$ 380,744</b> | <b>\$ 414,716</b> | <b>\$ 503,640</b>   | <b>\$ 88,924</b>                       | <b>\$ 464,896</b>             |
| <b>Expenditures:</b>   |                   |                   |                     |  |                               |
| Current  |                   |                   |                     |  |                               |
| General government   | \$ 91,923         | \$ 76,172         | \$ 143,457          | \$ (67,285)                            | \$ 128,879                    |
| Capital outlay   | 392,191           | 215,697           | -                   | 215,697                                | 364,210                       |
| <b>Total Expenditures</b>  | <b>\$ 484,114</b> | <b>\$ 291,869</b> | <b>\$ 143,457</b>   | <b>\$ 148,412</b>                      | <b>\$ 493,089</b>             |
| Excess (deficiency) of revenues over expenditures                                  | \$ (103,370)      | \$ 122,847        | \$ 360,183          | \$ 237,336                             | \$ (28,193)                   |
| Other sources (uses)   |                   |                   |                     |  |                               |
| Operating transfers out  | \$ (107,522)      | \$ (108,145)      | \$ (108,145)        | \$ -                                   | \$ (107,522)                  |
| Total other sources (uses)   | \$ (107,522)      | \$ (108,145)      | \$ (108,145)        | \$ -                                   | \$ (107,522)                  |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | \$ (210,892)      | \$ 14,702         | \$ 252,038          | \$ 237,336                             | \$ (135,715)                  |
| Fund Balance at Beginning of Year  | 893,983           | 893,983           | 893,983             | -                                      | 1,029,698                     |
| Fund Balance at End of Year  | <b>\$ 683,091</b> | <b>\$ 908,685</b> | <b>\$ 1,146,021</b> | <b>\$ 237,336</b>                      | <b>\$ 893,983</b>             |

See independent auditor's report.



**OTHER SUPPLEMENTARY INFORMATION**

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
For the Year Ended December 31, 2016

Agency Head Name: Lee Hebert, Chairman

| <b>Purpose</b>                         | <b>Amount</b> |
|--|---------------|
| Salary                                 | \$ -          |
| Benefits-insurance                     | -             |
| Benefits-retirement                    | -             |
| Benefits-other                         | -             |
| Car allowance                          | -             |
| Vehicle provided by government         | -             |
| Per diem                               | -             |
| Reimbursements                         | -             |
| Travel                                 | -             |
| Registration fees                      | -             |
| Conference travel                      | -             |
| Continuing professional education fees | -             |
| Housing                                | -             |
| Unvouchered expenses                   | -             |
| Special meals                          | -             |
| Other                                  | -             |
|  | <hr/>         |
|  | \$ -          |

See independent auditor's report.

**INTERNAL CONTROL AND COMPLIANCE**

# THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

---

P. O. Box 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

---

**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 Lee Hebert and the Board of Directors  
Fire Protection District No. 9 of  
the Parish of Acadia, State of Louisiana  
Rayne, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Fire Protection District No. 9 of the Parish of Acadia, Louisiana, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Fire Protection District No. 9 of the Parish of Acadia's basic financial statements and have issued or report thereon dated June 28, 2017.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fire Protection District No. 9 of the Parish of Acadia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire Protection District No. 9 of the Parish of Acadia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fire Protection District No. 9 of the Parish of Acadia's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and corrective action plan as 2016-1, 2016-2, and 2016-3 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fire Protection District No. 9 of the Parish of Acadia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and corrective action plan as items 2016-004.

### **Fire Protection District No. 9 of the Parish of Acadia's Response to Findings**

The Fire Protection District No. 9 of the Parish of Acadia's response to the findings identified in our audit is described in the accompanying schedule of findings and corrective action plan. Fire Protection District No. 9 of the Parish of Acadia'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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

  
**Thibodeaux Accounting Company**  
A Limited Liability Company

Rayne, Louisiana  
June 28, 2017

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2016

2015-1 Unqualified Staff to Apply GAAP

Condition: The Fire District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Recommendation: The District should hire a CPA to prepare the financial statements; however, the District's personnel should review and take responsibility for the financial statements, including the related notes, and any adjusting journal entries.

Status: Unresolved.

2015-2 Inadequate Segregation of Duties

Condition: The Fire District has no employees. A board is appointed and maintains all financial records. Due to this fact, the Fire District did not have adequate segregation of duties to provide effective internal control.

Recommendation: No action is recommended.

Status: Unresolved.

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

Schedule of Current Year Findings and  
Management's Responses and Corrective Action Plan  
For the Year Ended December 31, 2016

PART I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the basic financial statements of the Fire Protection District No. 9 as of and for the year ended December 31, 2016.

Internal Control - Financial Reporting

There were three significant deficiencies in internal control on financial reporting that were disclosed during the audit of the financial statements for the period ended December 31, 2016 and are identified as 2016-1, 2016-2 and 2016-3.

Material Noncompliance -- Financial Reporting

There was one instance of noncompliance that was disclosed during the audit of the financial statements for the period ended December 31, 2016 and is identified as 2016-4.

PART II. FINDING RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2016-1 Unqualified Staff to Apply GAAP

Condition: The Fire District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Criteria: The Fire District should be able to prepare financial statements in accordance with generally accepted accounting principles (GAAP) without any outside assistance.

Cause: The District's personnel lacks training in implementation of generally accepted accounting principles.

Effect: Financial statements may not be in accordance with GAAP. Misstatements in the financials may not be detected within a timely period.

Recommendation: The District should hire a CPA to prepare the financial statements; however, the District's personnel should review and take responsibility for the financial statements, including the related notes, and any adjusting journal entries.

Response: Management concurs.

**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

Schedule of Current Year Findings and  
Management's Responses and Corrective Action Plan  
For the Year Ended December 31, 2016

Planned Corrective Action: The Fire District has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation and any adjusting journal entries.

2016-2            Inadequate Segregation of Duties

Condition:            The Fire District has no employees. A board is appointed and maintains all financial records. Due to this fact, the Fire District did not have adequate segregation of duties to provide effective internal control.

Criteria:             Proper internal controls require that accounting and financial functions or duties be performed by separate individual so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his/her assigned duties.

Cause:                The condition is due to economic and space limitations.

Effect:                Errors or irregularities may not be detected within a timely manner.

Recommendation:    No action is recommended.

Response:            Management concurs.

Planned Corrective Action: None as this condition is common to most agencies of this type with limited resources and is difficult to resolve due to the funding limitations.

2016-3            Duplicate payment of invoices

Condition:            Payment of the two yearly insurance policies were paid twice.

Criteria:             There should be proper internal controls in place to ensure that invoices are only paid once.

Cause:                There are no paid employees. The board members and all bookkeeping functions are done on a volunteer basis.

Effect:                Although a refund was received for the overpayment, errors or irregularities may not be detected within a timely manner and excess funds may be expended unnecessarily.

Recommendation:    Bills should be reviewed by Board before approval for payment.



**FIRE PROTECTION DISTRICT NO. 9  
OF THE PARISH OF ACADIA  
RAYNE, LOUISIANA**

Schedule of Current Year Findings and  
Management's Responses and Corrective Action Plan  
For the Year Ended December 31, 2016

Response: Management concurs.

Planned Corrective Action: Mr. Lee Hebert will ensure that all bills are paid for the amounts owed.

2016-4            Noncompliance with Mandatory Ethics Education

Condition:            The District failed to have all board members complete the required one-hour ethics course.

Criteria:             Louisiana Revised Statute 42:1170 requires all elected officials and public servants to complete the one-hour ethics course each year. This includes a public employee of which is defined in LA R.S. 42:1102 as anyone, whether compensated or not, who is appointed to a post or position where the appointee is to serve the governmental entity or anyone that is engaged in the performance of a governmental function.

Cause:                Board members failed to complete the required ethics course.

Effect:                The District is not in compliance with Louisiana Revised Statute 42:1170.

Recommendation:    The District should make sure that all public servants complete the course each calendar year, including all Board Members, and educate themselves on this statute to comply with this requirement in the future.

Response:            Management concurs.

Planned Corrective Action: The District will ensure that all public servants complete the one-hour required governmental ethics course training during the year.