

**ST. LANDRY FIRE PROTECTION  
DISTRICT NO. II**  
Port Barre, Louisiana

Financial Report

Year Ended December 31, 2016

## TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-3
 <b>BASIC FINANCIAL STATEMENTS</b>	
 <b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>	
Statement of net position	6
Statement of activities	7
 <b>FUND FINANCIAL STATEMENTS (FFS)</b>	
Balance sheet - governmental fund	9
Reconciliation of the governmental fund balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balance of governmental fund	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental fund to the statement of activities	12
Notes to basic financial statements	13-25
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary comparison schedule:	
General Fund	27
Schedule of employer's share of net pension liability	28
Schedule of employer contributions	29
Notes to required supplementary information	30
 <b>OTHER SUPPLEMENTARY INFORMATION</b>	
General Fund:	
Comparative balance sheets	32
Comparative statements of revenues, expenditures, and changes in fund balance	33
Schedule of expenditures compared to budget (GAAP basis) - with comparative actual amounts for prior year	34
 <b>INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS</b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	36-37
Summary schedule of current and prior year audit findings and management's corrective action plan	38-39

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Nixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Penny Angelle Scroggins, CPA  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA  
Alan M. Taylor, CPA  
Albert R. Leger, CPA, PFS, CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®  
James R. Roy, CPA  
Robert J. Metz, CPA  
Kelly M. Doucet, CPA  
Mandy B. Seif, CPA  
Paul L. Delcambre, Jr., CPA  
Jane R. Hebert, CPA  
Deidre L. Stock, CPA  
Karen V. Fontenot, CPA  
Tabby A. LeMay, CPA  
Seth C. Norris, CPA  
Shayne M. Breaux, CPA

\* A Professional Accounting Corporation

183 South Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bridge St.  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr. Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St.  
Marksville LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Drive  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired:  
Conrad O. Chapman, CPA\* 2006

## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
St. Landry Fire Protection District No. II  
Port Barre, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the St. Landry Fire Protection District No. II (the District), a component unit of the St. Landry Parish Government, 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.

### *Auditors' 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 of 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 major fund of St. Landry Fire Protection District No. II, as of December 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, schedule of net pension liability, and schedule of employer contributions on pages 28 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information on pages 32 through 34 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative balance sheets on page 32 and the comparative statements of revenues, expenditures, and changes in fund balance on page 33 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The prior year comparative amounts on this information were derived from the District's 2015 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements as a whole.

The schedule of expenditures compared to budget on page 34 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 9, 2017

**BASIC FINANCIAL STATEMENTS**

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Statement of Net Position  
December 31, 2016

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$4,887,672
Revenue receivable, net	3,744,101
Prepaid insurance	<u>25,977</u>
Total current assets	8,657,750
Noncurrent assets:	
Capital assets, net	<u>1,983,910</u>
Total assets	<u>10,641,660</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	<u>1,223,446</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	161,472
Noncurrent liabilities:	
Net pension liability	<u>2,116,584</u>
Total Liabilities	<u>2,278,056</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	<u>84,373</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,983,910
Unrestricted	<u>7,518,767</u>
Total net position	<u>\$9,502,677</u>

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



ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Statement of Activities  
For the Year Ended December 31, 2016

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:				
Public safety - fire	<u>\$ 2,978,567</u>	<u>\$ 145,904</u>	<u>\$ -</u>	<u>\$ (2,832,663)</u>
General revenues:				
Property taxes				3,518,133
State revenue sharing				58,274
Interest and investment earnings				8,662
Nonemployer contribution				80,333
Loss on disposal of assets				(3,785)
Miscellaneous				<u>83,723</u>
Total general revenues				<u>3,745,340</u>
Change in net position				912,677
Net position - January 1, 2016				<u>8,590,000</u>
Net position - December 31, 2016				<u>\$ 9,502,677</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Balance Sheet  
Governmental Fund  
December 31, 2016

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and interest-bearing deposits	\$ 4,887,672
Revenue receivable-	
Ad valorem taxes, net of allowance for uncollectible taxes of \$68,779	3,685,893
State revenue sharing	58,172
Due from employees	36
Prepaid insurance	<u>25,977</u>
Total assets	<u>\$ 8,657,750</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 11,225
Accrued liabilities	36,693
Pension fund deduction payable	<u>113,554</u>
Total liabilities	<u>161,472</u>
<b>Deferred inflows of resources:</b>	
Unavailable revenue - ad valorem taxes	<u>128,046</u>
<b>Fund balance:</b>	
Nonspendable - prepaid items	25,977
Unassigned	<u>8,342,255</u>
Total fund balance	<u>8,368,232</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 8,657,750</u>

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

**ST. LANDRY FIRE PROTECTION DISTRICT NO. II**  
**Port Barre, Louisiana**

**Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2016**

<b>Total fund balance for the governmental fund at December 31, 2016</b>	<b>\$ 8,368,232</b>
<b>Total net position reported for the governmental activities in the statement of net position is different because:</b>	
<b>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:</b>	
<b>Land</b>	<b>\$ 36,659</b>
<b>Depreciable assets, net of \$1,314,600 accumulated depreciation</b>	<b><u>1,947,251</u> 1,983,910</b>
<b>The deferred outflows of expenditures for pensions are not a use of current resources and, therefore, are not reported in the funds</b>	<b>1,223,446</b>
<b>Long term liabilities are not due and payable in the current period and, therefore, not reported in the governmental funds.</b>	
<b>Long-term liabilities at December 31, 2016:</b>	
<b>Net pension liability</b>	<b>(2,116,584)</b>
<b>Some of the District's ad valorem taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources at the fund level.</b>	<b>128,046</b>
<b>The deferred inflows of contributions for the pension are not available resources and, therefore, are not reported in the funds</b>	<b><u>(84,373)</u></b>
<b>Total net position of governmental activities at December 31, 2016</b>	<b><u>\$9,502,677</u></b>

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

**ST. LANDRY FIRE PROTECTION DISTRICT NO. II**  
**Port Barre, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**Year Ended December 31, 2016**

	<b>General Fund</b>
<b>Revenues:</b>	
Ad valorem taxes	\$ 3,672,591
Intergovernmental revenues -	
State revenue sharing	58,274
Fire insurance rebate	21,654
On-behalf payments	124,250
Other	83,723
Interest income	8,662
Total revenues	3,969,154
 <b>Expenditures:</b>	
Current -	
Public safety - fire	2,585,836
Capital outlay	48,476
Total expenditures	2,634,312
 Net change in fund balance	1,334,842
 Fund balance, beginning	7,033,390
 Fund balance, ending	<b>\$ 8,368,232</b>

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

**ST. LANDRY FIRE PROTECTION DISTRICT NO. II**  
**Port Barre, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Fund  
to the Statement of Activities  
For the Year Ended December 31, 2016**

Total net change in fund balance for the year ended December 31, 2016 per statement of revenues, expenditures and changes in fund balance		<b>\$ 1,334,842</b>
Capital outlay which are considered expenditures on the statement of revenues, expenditures, and changes in fund balance	\$ 48,476	
Loss on disposal of assets	(3,785)	
Depreciation expense for the year ended December 31, 2016	<u>(236,629)</u>	(191,938)
Because some revenues are not considered measurable at year end, the are not considered "available" revenues in the governmental funds.		
Nonemployer contributions		80,333
Some of the District's ad valorem taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources at the fund level		(40,904)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Pension expense		(156,102)
Difference between non-employer contributions reported as ad valorem tax revenue on the statement of revenues, expenditures, and changes in fund balance and the non-employer contributions reported on the statement of activities		<u>(113,554)</u>
Total change in net position for the year ended December 31, 2016 per statement of activities		<u><b>\$ 912,677</b></u>

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

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the St. Landry Fire Protection District No. II (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The St. Landry Parish Fire Protection District No. II is a component unit of the St. Landry Parish Government. The District was established in 1955 to provide fire protection and rescue service for the residents of the District.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

The fund of the District is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The District has only one fund, a governmental fund. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Fire District is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781 is the principal fund of the District and is used to account for the operations of the District. General operating expenditures are paid from this fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.



ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

**Basis of Accounting**

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

The District reports deferred inflows of resources on its governmental fund balance sheet. For governmental fund financial statements, deferred inflows arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows also arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.

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.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity**

**Cash and interest-bearing deposits**

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the District.

**ST. LANDRY FIRE PROTECTION DISTRICT NO. II**  
**Port Barre, Louisiana**

**Notes to the Basic Financial Statements (Continued)**

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not received.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more 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.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	30 years
Equipment, furniture and fixtures	5 years
Fire engines	10 years

**Employee Benefit Policy**

Employees of the District who have been employed for one year earn 18 days of vacation pay. After ten years of service, they earn one additional day of vacation pay for each year worked up to the maximum of 30 days. All employees are entitled to 365 days sick pay after being employed for three months. No sick pay is paid upon resignation or retirement. Employees of the District are not allowed to carry over vacation; therefore no accruals have been made for accumulated unpaid vacation and sick leave.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At December 31, 2016, the District recognized \$128,046 of deferred inflows of resources resulting from property tax collections received more than 60 days after the close of the fiscal year in the fund financial statements. On the government-wide financial statements, the District also recognized deferred inflows of resources and deferred outflows of resources attributable to its pension plan.

**ST. LANDRY FIRE PROTECTION DISTRICT NO. II**  
**Port Barre, Louisiana**

**Notes to the Basic Financial Statements (Continued)**

**Equity Classifications**

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

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
- b. 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 debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – consists 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.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts 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.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the District.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the Board.
- e. Unassigned – all other spendable amounts.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

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

E. Use of 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 expenditures during the reporting period. Actual results could differ from those estimates.

F. Report Reclassification

Certain previous reported amounts for the year ended December 31, 2015 have been reclassified to conform to the December 31, 2016.

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2016, the District's cash and interest-bearing deposits (book balances) consisted of demand deposits totaling \$4,887,672.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. 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 similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2016, are secured as follows:

Bank balances	<u>\$4,903,434</u>
Secured by:	
Federal deposit insurance	\$ 250,000
Pledged securities	<u>4,653,434</u>
	<u>\$4,903,434</u>

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

Deposits in the amount of \$4,653,434 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name. The District does not have a policy for custodial credit risk.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and billed to the taxpayers by the St. Landry Parish Sheriff in November. 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 St. Landry Assessor and are collected by the St. Landry Parish Sheriff.

For the year ended December 31, 2016, taxes were levied at the rate of 35.16 mills on property with net assessed valuations totaling \$112,430,761. The total assessment of 35.16 mills consists of two tax levies: 17.65 mills assessed in 2007, expiring in 2016, and 17.51 mills assessed in 2010, expiring in 2019.

Total taxes levied during 2016 were \$3,953,065, excluding \$303,518 due to homestead exemption. Taxes receivable at December 31, 2016 of \$3,685,893 consisted of \$3,754,672 gross taxes receivable less an allowance for uncollectible accounts of \$68,779.

(4) Capital Assets

Capital asset balances and activity for the year ended December 31, 2016 are as follows:

	Balance 01/01/16	Additions	Deletions	Balance 12/31/16
Land	\$ 36,659	\$ -	\$ -	\$ 36,659
Buildings	1,135,658	-	12,993	1,122,665
Equipment, furniture and fixtures	444,174	48,476	86,541	406,109
Fire engines	1,774,548	-	41,471	1,733,077
Totals	3,391,039	48,476	141,005	3,298,510
Less: Accumulated depreciation	1,215,191	236,629	137,220	1,314,600
Net capital assets	<u>\$2,175,848</u>	<u>\$(188,153)</u>	<u>\$ 3,785</u>	<u>\$1,983,910</u>

Depreciation expense of \$236,629 was charged to the public safety function.

(5) Employee Retirement Systems

The District participates in a cost-sharing defined benefit plan, administered by a public employee retirement system. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of the plan administered by the public employee retirement system to the State Legislature. The plan is not closed to new entrants. Substantially all District employees participate in the following retirement system:

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

**Plan Description:**

State of Louisiana – Firefighters’ Retirement System (FRS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2251-2254 and 11:2256.

The system’s financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plan is provided in the following table:

	FRS
Final average salary	Highest 36 months
Years of service required and/or age eligible for benefits	25 years of any age 20 years age 50 12 years age 55
Benefit percent per years of service	3.33%

**Contributions**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer’s portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems’ Actuarial Committee. For the year ended December 31, 2016, the contribution percentages for employees and employer were 10.0% and 27.25%, respectively. The amounts contributed from non-employer contributing entities and from the District for the year ended December 31, 2016 were \$80,333 and \$187,388, respectively.

**Net Pension Liability**

The District’s net pension liability at December 31, 2016 of \$2,116,584 is comprised of its proportionate share of the net pension liability relating to the cost-sharing plan in which the District is a participating employer. The District’s net pension liability for the plan was measured as of the plan’s measurement date (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 proportionate share of the net pension liability for the plan in which it participates was based on the District’s required contributions in proportion to total required contributions for all employers.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

As of the most recent measurement date, the District's proportion for the plan was 0.323592% and the change in proportion from the prior measurement date was an increase of 0.074307%.

Since the measurement date of the net pension liability was June 30, 2016, the net pension liability is based upon fiduciary net position for the plan as of that date. Detailed information about the pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the District's net pension liability is available in the separately issued plan financial report which may be accessed on their website at <http://www.lafirefightersret.com>.

**Actuarial Assumptions**

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for the defined benefit plan in which the District is a participating employer:

	FRS
Date of experience study on which significant assumptions are based	7/1/2009 - 6/30/2014
Expected remaining service lives	7
Inflation Rate	2.875%
Projected salary increases	4.75% - 15.0%
Projected benefit changes including COLAs	None
Source of mortality assumptions	(1), (2)
(1) RP-2000 Disabled Lives Mortality Table for disabled annuitants set back 5 years for males and 3 years for females.	
(2) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table Projected to 2031 using Scale AA.	

**Cost of Living Adjustments**

The pension plan in which the District participates has the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide system (FRS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

**Discount Rate**

The discount rate used to measure the District's total pension liability for the plan and the significant assumptions used in the determination of the discount rate for the plan are as follows:

	FRS
Discount rate	7.50%
Change in discount rate from prior valuation	-
Plan cash flow assumptions	(1)
Rates incorporated in the Discount Rate:	
Long-term Rate of Return	7.50%
Periods applied	All
Municipal Bond Rate	N/A

**\*Plan Cash Flow Assumptions:**

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

The discount rate used to measure the District's total pension liability for the plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. The long-term expected rate of return for the plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses 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 and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for the plan in the following table:



ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

<u>Asset Class</u>	<u>FRS</u>	
	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	24%	1.85%
Equities	58%	6.77%
Alternative Investments	8%	6.67%
Other	10%	4.30%
Real Assets	-	-
Total	<u>100%</u>	

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2016, the District recognized \$457,043 in pension expense related to the defined benefit plan in which it participates.

At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 84,373
Changes of assumptions	18,241	-
Net difference between projected and actual earnings on pension plan investments	508,687	-
Change in proportion and differences between employer contributions and proportionate share of contributions	605,232	-
Employer contributions subsequent to the measurement date	<u>91,286</u>	<u>-</u>
Total	<u>\$ 1,223,446</u>	<u>\$ 84,373</u>

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

Deferred outflows of resources of \$91,286 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year Ended</u> <u>December 31</u>	<u>Net Amount</u> <u>Recognized in</u> <u>Pension Expense</u>
2017	\$ 235,670
2018	235,670
2019	267,622
2020	196,827
2021	61,964
Thereafter	<u>50,034</u>
	<u>\$ 1,047,787</u>

**Sensitivity of the District's Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:**

The following presents the District's proportionate share of the net pension liabilities of the plan, calculated using its respective discount rate, as well as what the District's proportionate share of the 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:

<u>Plan</u>	<u>Current</u> <u>Discount Rate</u>	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
FRS	7.50%	\$2,883,675	\$ 2,116,584	\$1,471,475

**Payables to Pension Plan**

At December 31, 2016, the District's payable to FRS was \$30,190, which was the contractually required contribution for the month of December 2016.

(6) **Risk Management**

The District is exposed to risks of loss in the areas of auto and property liability and surety bonds. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Notes to the Basic Financial Statements (Continued)

(7) Litigation

As of December 31, 2016, the District is not involved in any litigation.

(8) Compensation of Board Members

A detail of compensation paid to Board Members for the year ended December 31, 2016 follows:

John P. Ardoin, Secretary/Treasurer	\$ 8,094
James Kennison	900
John Lamury	825
Don LeBlanc, Chairman	5,184
Malcolm LeJeune	750
Jerry Soileau	<u>825</u>
 Total	 <u>\$ 16,578</u>

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members received \$75 per diem for attendance at regular meetings of the Board and the chairman received \$357 per month as an expense allowance. John Ardoin receives additional compensation because he functions as both secretary and treasurer, which involves bookkeeping duties for the department.

(9) Compensation, Benefits, and Other Payments to Agency Head

A detail of amounts paid to Roy Hardy, Fire Chief, for the year ended December 31, 2016 follows:

Purpose:	<u>Amount</u>
Salary	\$ 117,951
Benefits- retirement and other taxes	8,949
Benefits- insurance	9,090
Cell phone	669
Reimbursements- supplies	<u>2,738</u>
Total	<u>\$ 139,397</u>

(10) Expiration of Ad Valorem Tax

The 17.65 mills ad valorem tax levied by the District in 2007 expired in 2016. Revenues generated by the tax amounted to approximately \$1,970,000 annually. The District is in the process of evaluating and modifying its operations in order to function within the constraints of reduced revenues in future periods.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**ST. LANDRY FIRE PROTECTION DISTRICT NO. II**  
**Port Barre, Louisiana**

**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended December 31, 2016**

	<u>Budget</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$3,706,668	\$3,669,152	\$3,672,591	\$ 3,439
Intergovernmental revenues -				
State revenue sharing	67,000	40,680	58,274	17,594
Fire insurance rebate	25,000	21,650	21,654	4
On-behalf payments	124,000	124,000	124,250	250
Other	-	81,500	83,723	2,223
Interest income	7,000	8,325	8,662	337
Total revenues	<u>3,929,668</u>	<u>3,945,307</u>	<u>3,969,154</u>	<u>23,847</u>
<b>Expenditures:</b>				
Current -				
Public safety	2,411,738	2,483,493	2,585,836	(102,343)
Capital outlay	100,000	59,900	48,476	11,424
Total expenditures	<u>2,511,738</u>	<u>2,543,393</u>	<u>2,634,312</u>	<u>(90,919)</u>
Net changes in fund balance	1,417,930	1,401,914	1,334,842	(67,072)
Fund balance, beginning	<u>7,033,390</u>	<u>7,033,390</u>	<u>7,033,390</u>	<u>-</u>
Fund balance, ending	<u>\$8,451,320</u>	<u>\$8,435,304</u>	<u>\$8,368,232</u>	<u>\$ (67,072)</u>

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Firefighters' Retirement System  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended December 31, 2016

Plan Fiscal Year	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2016	0.323592%	\$ 2,116,584	\$ 731,435	289.4%	68.16%
6/30/2015	0.249285%	1,345,419	532,848	252.5%	72.45%

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

**ST. LANDRY FIRE PROTECTION DISTRICT NO. II**  
**Port Barre, Louisiana**

**Firefighters' Retirement System**  
**Schedule of Employer Contributions**  
**For the Year Ended December 31, 2016**

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2016	\$187,388	\$187,388	\$ -	\$ 713,859	26.25%
2015	188,948	188,948	-	668,842	28.25%

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

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Notes to the Required Supplementary Information

(1) Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to January 1, the Chairman submits to the Board a proposed budget for the ensuing year. The operating budget includes proposed expenditures and the means of financing them.
- b. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- c. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- d. All budgetary appropriations lapse at the end of each fiscal year.
- e. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Fire District. Such amendments were not material in relation to the original appropriations.

(2) Pension Plan

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

(3) Excess of Expenditures Over Appropriations

For the year ended December 31, 2016, the general government function in the General Fund had actual expenditures over appropriations in the amount of \$102,343.



**OTHER SUPPLEMENTARY INFORMATION**

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Comparative Balance Sheets  
General Fund  
December 31, 2016

	2016	2015
<b>ASSETS</b>		
Cash and interest-bearing deposits	\$ 4,887,672	\$ 3,529,108
Revenue receivable-		
Ad valorem taxes, net of allowance for uncollectible taxes (\$68,779 in 2016 and 2015)	3,685,893	3,734,293
State revenue sharing	58,172	62,162
Due from employees	36	36
Prepaid insurance	25,977	35,060
Total assets	\$ 8,657,750	\$ 7,360,659
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 11,225	\$ 9,036
Accrued liabilities	36,693	33,645
Pension fund deduction payable	113,554	115,638
Total liabilities	161,472	158,319
<b>Deferred inflows of resources:</b>		
Unavailable revenue - ad valorem taxes	128,046	168,950
<b>Fund balance:</b>		
Nonspendable - prepaid items	25,977	35,060
Unassigned	8,342,255	6,998,330
Total fund balance	8,368,232	7,033,390
Total liabilities, deferred inflows of resources, and fund balance	\$ 8,657,750	\$ 7,360,659

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance  
General Fund  
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Revenues:</b>		
Ad valorem taxes	\$3,672,591	\$3,683,696
Ad valorem taxes - prior year	-	1,090,649
Intergovernmental revenues -		
State revenue sharing	58,274	62,164
Fire insurance rebate	21,654	24,469
On-behalf payments	124,250	120,366
Other	83,723	74,786
Interest income	<u>8,662</u>	<u>7,181</u>
Total revenues	<u>3,969,154</u>	<u>5,063,311</u>
<b>Expenditures:</b>		
Current -		
Public safety - fire	2,585,836	2,298,992
Capital outlay	<u>48,476</u>	<u>758,533</u>
Total expenditures	<u>2,634,312</u>	<u>3,057,525</u>
Net changes in fund balances	1,334,842	2,005,786
Fund balance, beginning	<u>7,033,390</u>	<u>5,027,604</u>
Fund balance, ending	<u>\$8,368,232</u>	<u>\$7,033,390</u>

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Schedule of Expenditures Compared to Budget (GAAP Basis) -  
General Fund  
Year Ended December 31, 2016  
With Comparative Actual Amounts for Year Ended December 31, 2015

	2016				2015 Actual
	Budget		Actual	Variance - Favorable (Unfavorable)	
	Original	Final			
<b>Current:</b>					
<b>Public safety -</b>					
Board fees/compensation	\$ 17,253	\$ 17,028	\$ 16,578	\$ 450	\$ 16,428
Salaries	1,121,585	1,169,650	1,211,923	(42,273)	1,108,155
Extra shifts and call out time	203,500	298,000	329,677	(31,677)	243,974
Payroll taxes	112,000	118,015	121,873	(3,858)	107,472
Pension plan contribution	180,000	188,500	187,388	1,112	188,948
Pension deduction	112,000	112,000	113,554	(1,554)	116,303
Bad debt expense (recovery)	-	-	-	-	(21,934)
Repairs and maintenance	41,500	46,850	49,390	(2,540)	40,230
Office expense	15,700	8,475	9,334	(859)	5,118
Supplies	186,200	134,800	143,638	(8,838)	94,696
Professional fees	19,000	20,550	20,551	(1)	18,994
Telephone and utilities	31,000	34,000	34,165	(165)	29,914
Insurance	343,000	311,325	324,306	(12,981)	323,606
Gasoline and oil	15,000	11,800	11,918	(118)	14,249
Uniforms	14,000	12,500	11,541	959	12,839
<b>Total public safety</b>	<b>2,411,738</b>	<b>2,483,493</b>	<b>2,585,836</b>	<b>(102,343)</b>	<b>2,298,992</b>
<b>Capital outlay</b>	<b>100,000</b>	<b>59,900</b>	<b>48,476</b>	<b>11,424</b>	<b>758,533</b>
<b>Total expenditures</b>	<b>\$ 2,511,738</b>	<b>\$ 2,543,393</b>	<b>\$ 2,634,312</b>	<b>\$ (90,919)</b>	<b>\$ 3,057,525</b>

**INTERNAL CONTROL,  
COMPLIANCE  
AND OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Penny Angelle Scroggins, CPA  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA  
Alan M. Taylor, CPA  
Albert R. Leger, CPA, PFS, CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®  
James R. Roy, CPA  
Robert J. Metz, CPA  
Kelly M. Doucet, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Jane R. Hebert, CPA  
Deidre L. Stock, CPA  
Karen V. Fontenot, CPA  
Tabby A. LeMay, CPA  
Seth C. Norris, CPA  
Shayne M. Breaux, CPA

183 South Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bridge St.  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr. Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Weddill St.  
Marksville LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Drive  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired:  
Conrad O. Chapman, CPA\* 2006

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

\* A Professional Accounting Corporation

### Board of Commissioners St. Landry Fire Protection District No. II Port Barre, 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 the major fund of the St. Landry Fire Protection District No. II (the District), a component unit of the St. Landry Parish Government as of and for the year ended December 31, 2016, and the related notes to the financial statements, which comprise the District's basic financial statements and have issued our report thereon dated June 9, 2017.

### Internal Control over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination 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 preceding paragraph 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. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2016-001 and 2016-002 to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

## **The District's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. We did not audit the District's response 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 9, 2017

ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

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

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<b>CURRENT YEAR (12/31/16) --</b>						
<b><u>Internal Control:</u></b>						
2016-001	2007	Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Don LeBlanc, Chairman	N/A
2016-002	2007	The 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.	No	The 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 interests of the District 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.	Don LeBlanc, Chairman	N/A
<b><u>Management Letter:</u></b>						
2016-003	2016	An analysis of payroll identified a significant increase in salary expenses, particularly overtime expenditures. The District should examine the following options and implement policies and procedures in order to reduce these payroll expenditures: (1) establish set annual/monthly salaries for management level positions in order to eliminate overtime paid; (2) hire additional firefighters in order to decrease overtime pay; and/or (3) better utilize volunteer firefighters in an effort to minimize costs.	No	The District will analyze these options, determine the most efficient and effective way to reduce payroll expenditures, and implement policies and procedures to minimize excess payroll costs.	Don LeBlanc, Chairman	12/31/2017

(continued)



ST. LANDRY FIRE PROTECTION DISTRICT NO. II  
Port Barre, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended December 31, 2016

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (12/31/15) --						
<u>Internal Control:</u>						
2015-001	2007	Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Don Leblanc, Chairman	N/A
2015-002	2007	The 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.	No	The 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 interests of the District 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.	Don LeBlanc, Chairman	N/A

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Penny Angelle Scruggins, CPA  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA  
Alan M. Taylor, CPA  
Albert R. Leger, CPA, PFS, CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®\*  
James R. Roy, CPA  
Robert J. Metz, CPA  
Kelly M. Doucet, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Jane R. Hebert, CPA  
Deirdre L. Stock, CPA  
Karen V. Fontenot, CPA  
Tabby A. LeMay, CPA  
Seth C. Noms, CPA  
Shayne M. Breaux, CPA

\* A Professional Accounting Corporation

183 South Beadle Rd  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberna, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bndge St  
Breaux Bndge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St  
Marksville LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Dnve  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired  
Conrad O. Chapman, CPA\* 2006

## MANAGEMENT LETTER

### Board of Commissioners St. Landry Parish Fire Protection District No. II Port Barre, Louisiana

We have completed our audit of the basic financial statements of the St. Landry Parish Fire Protection District No. II for the year ended December 31, 2016, and submit the following recommendation for your consideration.

An analysis of payroll identified a significant increase in salary expenses, particularly overtime expenditures. The District should examine the following options and implement policies and procedures in order to reduce these payroll expenditures:

- (1) Establish set annual/monthly salaries for management level positions in order to eliminate overtime paid;
- (2) Hire additional firefighters in order to decrease overtime pay; and/or
- (3) Better utilize volunteer firefighters in an effort to minimize costs.

In conclusion, we express our appreciation to you and your staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance, please feel free to contact us.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 9, 2017