

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6

**COMPONENT UNIT OF THE
LAFOURCHE PARISH GOVERNMENT**

Thibodaux, Louisiana

Financial Statements with Supplemental Information

December 31, 2016



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LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Financial Statements
December 31, 2016

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Commissioners
Lafourche Parish Fire Protection District No. 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana 70301

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Lafourche Parish Fire Protection District No. 6, a component unit of the Lafourche Parish Government, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

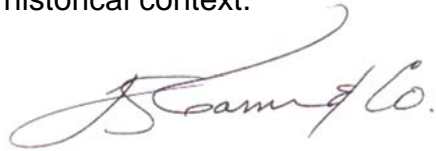
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the *Budgetary Comparison Schedule – General Fund* and *Budgetary Comparison Schedule – Debt Service* on page 21 and 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. We have not audited or reviewed

such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Management has omitted the 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.

A handwritten signature in cursive script, appearing to read "T. S. Kearns & Co.", written in dark ink.

May 12, 2017

FINANCIAL STATEMENTS

Government-Wide
Financial Statements (GWFS)

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Statement of Net Position
December 31, 2016

	2016
Assets	
Cash and cash equivalents	\$ 231,083
Receivables - ad valorem tax	474,447
Capital assets, not being depreciated	22,299
Capital assets, net of depreciation	1,081,804
Total assets	\$ 1,809,633
 Liabilities	
Accounts payable	\$ 66
Accrued interest payable	14,105
Long term liabilities due < 1 year	50,000
Long term liabilities due > 1 year	1,100,000
Total liabilities	\$ 1,164,171
 Deferred inflows of resources	
Ad valorem taxes revenue	\$ 447,489
 Net position	
Invested in capital assets, net of related debt	\$ 45,898
Restricted for:	
Debt Service	242,179
Unrestricted	(90,104)
Total net position	\$ 197,973

See accountant's review report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Statement of Activities

For the Year Ended December 31, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenue and Increase (Decrease) in Net Position
Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Governmental activities:				
Public safety - fire protection:				
St. John Volunteer Fire Dept.	\$ 315,000	\$ -	\$ -	\$ 315,000
Depreciation	80,174	-	-	80,174
Publication	443	-	-	443
Office expense	106	-	-	106
Professional fees	2,500	-	-	2,500
Interest expense	39,798	-	-	39,798
Loss on disposition of asset	2,000	-	-	2,000
Total governmental activities:	\$ 440,020	\$ -	\$ -	\$ 440,020
General revenues:				
Ad valorem taxes			\$ 463,266	
Fire Insurance rebate			40,071	
Total general revenues			\$ 503,336	
Increase (decrease) in net position				63,316
Net position - beginning of the year				134,657
Net position - end of the year				\$ 197,973

See accountant's review report and accompanying notes.

Fund Financial Statements (FFS)

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Fund Balance Sheet - Governmental Funds

December 31, 2016

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 3,634	\$ 227,450	\$ 231,083
Receivables - ad valorem tax	314,097	160,350	474,447
Total assets	<u>\$ 317,731</u>	<u>\$ 387,800</u>	<u>\$ 705,531</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 66		\$ 66
Total liabilities	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 66</u>
 Deferred inflows of resources			
Ad valorem taxes	\$ 301,104	\$ 146,385	\$ 447,489
Total deferred inflows of resources	<u>\$ 301,104</u>	<u>\$ 146,385</u>	<u>\$ 447,489</u>
 Fund balances			
Committed for Debt Service		\$ 241,415	\$ 241,415
Unassigned	\$ 16,561	-	16,561
Total fund balances	<u>16,561</u>	<u>241,415</u>	<u>257,975</u>
Total liabilities and fund balances	<u>\$ 16,627</u>	<u>\$ 241,415</u>	<u>\$ 258,041</u>

See accountant's review report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Ad valorem tax	\$ 305,700	\$ 157,565	\$ 463,266
Fire insurance rebate	40,071	-	40,071
Total revenues	<u>\$ 345,771</u>	<u>\$ 157,565</u>	<u>\$ 503,336</u>
EXPENDITURES			
Public safety - fire protection:			
Current:			
St. John Volunteer Fire Department	\$ 315,000	\$ -	\$ 315,000
Publication	443	-	443
Office expense	106	-	106
Professional fees	2,500	-	2,500
Total current expenditures	<u>318,049</u>	<u>-</u>	<u>318,049</u>
Capital Outlay:			
Building improvements	<u>22,662</u>	<u>-</u>	<u>22,662</u>
Total capital outlay	<u>22,662</u>	<u>-</u>	<u>22,662</u>
Debt Service:			
Principal retirement	-	45,000	45,000
Interest and fiscal charges	-	38,828	38,828
Total debt service	<u>-</u>	<u>83,828</u>	<u>83,828</u>
Total expenditures	<u>\$ 340,711</u>	<u>\$ 83,828</u>	<u>\$ 424,539</u>
Excess of revenues over/(under) expenditures	5,060	73,738	78,798
Net increase (decrease) in fund balances	5,060	73,738	78,798
FUND BALANCE			
Beginning of year - restated, see note 2	\$ 11,500	\$ 167,677	\$ 179,177
End of year	<u>\$ 16,560.25</u>	<u>\$ 241,415</u>	<u>\$ 257,975</u>

See accountant's review report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
December 31, 2016

Total Fund Balances - Governmental Funds	\$	257,975
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Total net position reported for governmental activities in the statement of net positions is different because:

Capital assets used in governmental activities are not current financial resources and therefore not reported in the Governmental Funds Balance Sheet, those assets consist of:

Capital asset, not being depreciated	22,299	
Capital assets, net of \$719,357 accumulated depreciation	<u>1,081,804</u>	1,104,102

Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds:

Accrued interest payable	(14,105)	
Certificate of Indebtedness	<u>(1,150,000)</u>	(1,164,105)

Total Net Position - Governmental activities	\$	<u><u>197,973</u></u>
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LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities**

For the year ended December 31, 2016

Total net changes in fund balances at December 31, 2016 per Statement of Revenues, Revenues, Expenditures and Changes in Fund Balances	\$ 78,798
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Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlays as expenditures. However, in
the Statement of Activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense.

Basis in capital assets removed from service	\$ (2,000)	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures, and Changes in Fund Balances	22,662	
Depreciation expense for the current year	<u>(80,174)</u>	(59,512)

Debt principal retirement not considered an expense in the Statement of Activities	45,000
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Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on an accrual basis.	<u>(970)</u>
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Change in Net Position - Governmental activities	<u><u>\$ 63,315</u></u>
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LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2016

INTRODUCTION

The Lafourche Parish Fire Protection District No. 6, (the District) operates under the Lafourche Parish Council in compliance with the provisions of Article VI, Section 15 of the constitution of the State of Louisiana of 1974. The District was formed for the purpose of acquiring, constructing, maintaining, and operating fire protection facilities. The District is made up of a five-member board of Directors, appointed by the Lafourche Parish Council, governs the District. The District's finances are primarily ad valorem taxes on property located within the District's boundaries. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statutes of the State of Louisiana, including the right to incur debt, issue bonds, and levy taxes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) 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.

A. Reporting entity

As the governing authority of the parish, the Lafourche Parish Council is the financial reporting entity for Lafourche Parish. The financial reporting entity consists of (a) the primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Because the parish council appoints the governing board and because of the potential for the organization to impose specific financial burdens on the council, the district was determined to be a component unit of the Lafourche Parish Council, the 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 council, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The Governmental Accounting Standards Board (GASB) statements provide guidelines in determining whether certain organizations are component units. An objective of Statement No. 14, The Financial Reporting Entity, is that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. Statement 39 amends Statement 14 to provide additional

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Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2016

guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based upon the nature and significance of their relationship with the primary government. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. Organizations that are legally separate, tax-exempt entities and that meet all of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.
2. The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an *individual organization* that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

Based on the previous criteria, the District has determined that it has no component units.

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

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
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Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2016

provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a) Total assets, liabilities, 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, liabilities, 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 funds of the District is described below:

Governmental Fund -

General Fund

The General Fund is the principal fund of the District and is used to account for the operations of the District's office. General revenues are accounted for in this fund. General operating expenditures are paid from this fund.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs associated with the financing for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including fire trucks, to be used in giving fire protection.

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.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when

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Notes to the Financial Statements
December 31, 2016

the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements (FFS)

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 financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District wide operations.

The amounts reflected in the Governmental Funds, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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 fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues –

Revenues are generally recognized when they become measurable and available as net current assets.

Expenditures –

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses) –

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Board.

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Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2016

D. Budgets and Budgetary Accounting

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners is required to adopt a budget for the District's general fund. The Board, as allowed by state law, does not have to obtain public participation in the budgetary process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund and Debt Service Fund Budgetary Comparison Schedule is prepared on the cash basis of accounting, which is a non-GAAP basis of accounting. The difference between cash basis (non-GAAP) and accrual basis (GAAP) is the accounting for the Ad Valorem receivables. This adjustment is necessary for comparison purposes.

E. Encumbrances

The district does not use encumbrance accounting.

F. Cash and cash equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents also include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

For the purposes of the Statement of Net Position, restricted cash is an amount received or earned by the District with an explicit understanding that the resource would be used for a specific purpose. At year end, the line item *Cash and cash equivalents* on the Statement of Net Position is comprised of restricted cash of \$227,450 and unrestricted cash of \$3,634. The District has presented restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations.

G. Inventories

Physical inventories consist of expendable supplies held for consumption. Because inventories are expended within one operating cycle they are recorded as expenditures when paid for and are not recorded as an inventory asset.

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Notes to the Financial Statements
December 31, 2016

H. Capital assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) 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 \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net positions and Statement of Activities. Since surplus assets are disposed of or sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Life
Building & improvements	40
Fire Trucks & units	15
Equipment	5-10

I. Equity Classifications

In the Government-Wide statements, equity is classified as Net Position and displayed in three components:

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

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

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Notes to the Financial Statements
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- 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 through approval in minutes of the Board, which is the highest level of decision-making authority.
- 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.
- e. Unassigned - all other spendable amounts.

Explanations of the nature and purpose of the designations of the District's fund balances are as follows:

- a) General Fund – represents the primary operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.
- b) Debt Service Fund – represents assets reserved to fund the upcoming years' debt service obligations.

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

J. Use of Estimates

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

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Notes to the Financial Statements
December 31, 2016

K. Subsequent Events

The subsequent events of the organization were evaluated through the date of the financial statements were available to be issued (May 12, 2017).

NOTE 2. RESTATEMENT OF BEGINNING FUND BALANCE/NET POSITION

Beginning fund balance and net position have been restated to adjust the financial statements to record deferred inflows of resources. Without this entry, fund balance/net position would have been overstated \$445,384 and deferred inflows would have been understated \$445,284.

NOTE 3. LEVIED TAXES

Ad valorem taxes are levied on the assessed value listed as of the prior January 1 for all real property, merchandise and moveable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax District at percentages of actual value as specified by Louisiana law. A reevaluation of all real property is required to be completed no less than every four years. Taxes are due and payable December 31st with interest being charged on payments after January 1st. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The district is authorized levy a maximum of 15 mills for ad valorem tax. The tax rate for the year ended December 31, 2016, which is the 2016 tax roll, was 7.06 mills per \$1,000 of assessed valuation on property within the District's area for the purpose of maintaining and operating the District and 3.40 mills per \$1,000 for the purpose of payment of general long term debt principal, interest, and related costs for the District.

NOTE 4. CASH AND CASH EQUIVALENTS

At December 31, 2016, the District has cash (book balances) totaling \$231,083 as follows:

Cash & Equivalents	Cost	Fair Value	APY	Maturity	Credit Risk Category
Fire District #6:					
Checking - Operating	\$ 3,634	\$ 3,634	N/A	Demand	Category 1
Checking – Debt Service	<u>227,450</u>	<u>227,450</u>	N/A	Demand	Category 1
Total Cash	<u>\$ 231,083</u>	<u>\$ 231,083</u>			

These deposits are stated at cost, which approximate market. Under state law, this deposit (or resulting bank balance) must be secured by federal deposit insurance or the pledge of

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December 31, 2016

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.

NOTE 5. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. At December 31, 2016, the District had checking accounts (bank balances) at Coastal Commerce totaling \$231,212; all of which is secured by \$250,000 FDIC insurance. Therefore, the District's bank balance was not exposed to custodial credit risk.

NOTE 6. CHANGES IN CAPITAL ASSETS

A summary of changes in general fixed assets follows:

	12/31/2015	Additions	Deletions	12/31/2016
Governmental Activities:				
Capital assets not being depreciated				
Construction In Progress	\$ 189,707		\$(189,707)	\$ -
Land	22,298			22,298
Total non-depreciable capital assets	<u>212,005</u>	-	<u>(189,707)</u>	<u>22,298</u>
Capital assets being depreciated				
Buildings & improvements	157,165	212,369		369,534
Equipment	71,386		(20,000)	51,386
Fire vehicles & units	1,380,242			1,380,242
Total depreciable capital assets	<u>1,608,793</u>	<u>212,369</u>	<u>(20,000)</u>	<u>1,801,161</u>
Total capital assets	1,820,798	212,369	(209,706)	1,823,459
Less: accumulated depreciation				
Building & improvements	90,369	5,351		95,720
Equipment	25,837	4,883	(18,000)	12,720
Fire vehicles & units	540,978	69,939		610,917
Total accumulated depreciation	<u>657,184</u>	<u>80,173</u>	<u>(18,000)</u>	<u>719,357</u>
Governmental activities, capital assets, net of depreciation	<u>\$ 951,609</u>	<u>\$ 132,196</u>	<u>\$ (2,000)</u>	<u>\$1,081,804</u>

NOTE 7. SHORT-TERM AND LONG-TERM OBLIGATIONS

During fiscal year ended December 2012, the Lafourche Parish Fire Protection District No. 6 passed a resolution to incur new debt of \$1,300,000 for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including fire trucks. The

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
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Notes to the Financial Statements
December 31, 2016

District received the proceeds of \$1,300,000 General Obligations Bonds, Series 2012. The current annual interest rate is 1.600%. During the year, the District paid \$38,828 in interest expense. Debt service required for the upcoming fiscal year is \$50,000 and \$38,043 principal and interest, respectively.

The following is a summary of the transactions of the bonds payable during the year:

Governmental activities:	
General Obligation Bonds, Series 2012	
Long-term obligations payable at December 31, 2015	\$ 1,195,000
Additions	-
Reductions	<u>(45,000)</u>
Long-term obligations payable at December 31, 2016	<u><u>\$ 1,150,000</u></u>

All principal and interest requirements are funded in accordance with Louisiana law by the general revenues of the District. The amounts due on outstanding debt, including interest, are as follows:

Year Ending December 31,	Principal	Interest Rate	Interest	Total
2017	50,000	1.700%	38,043	88,043
2018	50,000	2.000%	37,118	87,118
2019	55,000	2.250%	35,999	90,999
2020	55,000	2.500%	34,693	89,693
2021	60,000	2.750%	33,180	93,180
2022-2026	345,000	2.950% - 4.500%	131,808	476,808
2027-2031	435,000	3.500% - 4.000%	64,250	499,250
2032	100,000	4.200%	2,100	102,100
	<u>\$ 1,150,000</u>		<u>\$ 377,189</u>	<u>\$ 1,527,189</u>

The following is a summary of the short-term portion of total bonds payable transactions during the year:

	12/31/2015	Increases	Decreases	12/31/2016
Long term liabilities due < 1 year	<u>\$ 45,000</u>	<u>\$ 50,000</u>	<u>\$ (45,000)</u>	<u>\$ 50,000</u>

NOTE 8. COMPENSATION OF BOARD MEMBERS

The District did not pay per diem or compensation to any of its board members during the year ended December 31, 2016.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2016

NOTE 9. COOPERATIVE AGREEMENT

On January 1, 2011, Lafourche Parish Fire Protection District No. 6 contracted with St. John Volunteer Fire Department (Fire Department), a non-profit corporation, for the Fire Department to coordinate and supervise firefighting and emergency service in that fire district in return for insurance rebates, revenue sharing funds, and a sum equal to 7.6 mils of assessed property taxes collected by the District. The District has the right to reserve up to \$5,000 annually, to be used to defray the District's expenses.

Under the term of the cooperative agreement, the Fire Department shall be responsible and shall obtain fire and windstorm protection insurance on all fire stations owned, operated, or controlled by the Fire Department or District at the Fire Department's expense. During the year, the District paid \$315,000 to St. John Volunteer Fire Department for fire protection service.

NOTE 10. RISK MANAGEMENT

The department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; illnesses or injuries to its volunteers; and natural disasters. The department has purchased commercial insurance to cover or reduce the risk of loss. No settlements were made during the current that exceeded the department's insurance coverage. St. John Volunteer Fire Dept. pays for the insurance on behalf of Lafourche Parish Fire Protection District No. 6.

NOTE 11. LITIGATION AND CLAIMS

At December 31, 2016, the District had no litigation or claims pending.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Budget Comparison Schedule
General Fund - Cash Basis
For the Year ended December 31, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
Revenues:				
Ad valorem taxes	\$ 315,000	\$ 301,000	\$ 292,707	\$ (8,293)
Fire insurance rebate	49,000	40,400	40,071	(329)
Total revenues	<u>\$ 364,000</u>	<u>\$ 341,400</u>	<u>\$ 332,778</u>	<u>\$ (8,622)</u>
Expenditures:				
St. John Volunteer Fire Department	\$ 360,000	\$ 315,000	\$ 315,000	\$ -
Publication	2,100	1,000	377	624
Office expense		600	106	494
Professional fees	3,000	2,500	2,500	-
Capital Outlay		22,700	22,662	38
Total expenditures	<u>\$ 365,100</u>	<u>\$ 341,800</u>	<u>\$ 340,645</u>	<u>\$ 1,155</u>
Excess (deficiency) of revenues over expenditures	(1,100)	(400)	(7,866)	(7,466)
Net increase (decrease) in fund balances			(7,866)	(7,466)
Fund balance, beginning	<u>not budgeted</u>	<u>not budgeted</u>	<u>\$ 11,500</u>	
Fund balance, ending	<u>not budgeted</u>	<u>not budgeted</u>	<u>\$ 3,633</u>	

See accountant's review report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Budget Comparison Schedule
Debt Service Fund - Cash Basis
For the Year ended December 31, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
Revenues:				
Ad valorem taxes	\$ 145,000	\$ 146,200	\$ 143,600	\$ (2,600)
Total revenues	<u>\$ 145,000</u>	<u>\$ 146,200</u>	<u>\$ 143,600</u>	<u>\$ (2,600)</u>
Expenditures:				
Principal retirement	\$ 65,000	\$ 65,400	\$ 45,000	\$ 20,400
Interest and fiscal charges	<u>20,000</u>	<u>19,200</u>	<u>38,828</u>	<u>(19,628)</u>
Total expenditures	<u>\$ 85,000</u>	<u>\$ 84,600</u>	<u>\$ 83,828</u>	<u>\$ 773</u>
Excess (deficiency) of revenues over expenditures	60,000	61,600	59,773	(1,827)
Fund balance, beginning	<u>not budgeted</u>	<u>not budgeted</u>	<u>\$ 167,677</u>	
Fund balance, ending	<u>not budgeted</u>	<u>not budgeted</u>	<u><u>\$ 227,450</u></u>	

See accountant's review report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

For the Year Ended December 31, 2016

**Schedule of Compensation, Benefits and Other Payments to Agency Head or
Chief Executive Officer**

Agency Head Name: Board of Directors (Richard Williams - President)

Purpose	Amount
Salary	\$0
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses*	0
Special meals	0

See accountant's review report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Prior Year Findings
December 31, 2016

Findings required to be reported in accordance with *Government Auditing Standards* -
Internal Control and Compliance

There were no items reported under this section.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Findings & Corrective Action Plan
December 31, 2016

Section I – Internal Control and Compliance Material to the Financial Statements:

Ref. No.

1216-01

Description of Finding

Noncompliance with state laws on Bond Millages.

During the course of the review, we discovered that the District's bond millage far exceeds the amounts necessary to fund current debt service on its general obligation bonds and its cash reserves equaled 2-3 years of debt service.

Article VI, Section 33 of the Louisiana Constitution states that the governmental agency should determine the amount of the debt service (principal and interest) required, determine the amount of assessed value to be taxed, and then set their millage rate at such a level as to meet the debt service requirements. Millages should not be set so high as to create excessive reserves.

Corrective Action Planned

The bond repayment schedule requires that the annual debt service increases over the life of the bond. The board was required to set the millages higher than needed in the beginning of the bond repayment schedule in order to accommodate the increased needs in the future without millage increases needed annually. The board acknowledges that current cash reserves are enough to accommodate for the future debt service increases and will reduce the bond millage in the upcoming year.

Name of Contact Person

Richard Williams, President

Anticipated Completion Date

April 30, 2017



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To The Board of Commissioners
Lafourche Parish Fire Protection District No. 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana 70301

We have performed the procedures enumerated below, which were agreed to by the management of Lafourche Parish Fire Protection District No. 6 (The District) and the Legislative Auditor, State of Louisiana, solely to assist you in evaluating the management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2016 included in the accompanying *Louisiana Attestation Questionnaire*. The District's management is responsible for the organizations accounting records. This agree-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested of for any other purpose.

Our procedures and findings are as follows:

Procedure Number 1: **Public Bid Law**

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with Louisiana R.S. Title 38:2211-2296.

Findings:

During the year ended December 31, 2016, the District did not make any purchases for materials and supplies exceeding \$30,000, or public works exceeding \$150,000.

Procedure Number 2: **Code of Ethics for Public Officials and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families. Obtain from management a listing of all employees paid during the period under examination. Determine whether any employees were immediate family members of the board members.

Findings:

The District provided us with a list of board members. There were no employees during the year. No checks were written to an individual throughout the year ended December 31, 2016. *See Schedule of Compensation, Benefits and Other Payments to Agency Head of Chief Executive Officer.*

Procedure Number 3:

Budgeting

3. Obtain a copy of the adopted budget and all amendments made to the budget for each fund required to have a budget. Obtain and review the minutes of the meetings for which the budget(s) were adopted. Compare the revenues and expenditures of the final appropriated budget to the corresponding fund's actual revenues and expenditures to see if actual amounts exceeded the budgeted amounts by more than 5%.

Findings:

The District provided copies of their original budget that was legally adopted at December 1, 2015's meeting. The District amended the budget on September 6, 2016. When comparing the final budget to actual revenues and expenditures, actual amounts did not exceed budgeted amounts more than 5%.

Procedure Number 4:

Accounting and Reporting

4. Randomly select six disbursements made during the period under examination and trace payments to supporting documentation as to proper amount and payee, determine if payments were properly coded to the correct fund and account, and determine whether payments received approval from proper authorities.

Findings:

We examined the supporting documentation for each of the selected disbursements and found that payment was for the proper amount and made to the correct payee. All payments were properly coded to the correct fund and general ledger accounts. All disbursements were signed by two Board of Commissioners and approved in the District's minutes by the full commission.

Procedure Number 5:

Meetings

5. Examine agendas for meetings recorded in the minute book were posted or advertised as required by the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Findings:

According to notes recorded in the minutes of the District, all meetings were publicly posted stating the date, time, and place of the meeting.

Procedure Number 6:

Debt

6. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness of credit for more than 90 days to make purchases.

Findings:

Inspected bank statements and deposit slips for the year 2016. No sign of incurring indebtedness, or proceeds of bank loans and/or bonds.

Procedure Number 7:

Advances and Bonuses

7. Scan checks written for payments insinuating payment to an employee and if any payment was made to constitute as a bonus, advance, or gift in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Findings:

The District did not have any employees during the year ended December 31, 2016.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on management's assertions of the District. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the District and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,



Brandy I. Kearns, CPA, CFF
T.S. Kearns & Co., CPA

May 12, 2017

LOUISIANA ATTESTATION QUESTIONNAIRE

March 2, 2017

T.S Kearns & Co., CPA
164 W Main St.
Thibodaux, LA 70301

In connection with your review of our financial statements as of December 31, 2016 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of this questionnaire.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

4/19/17 Date Secretary Andrew Robertson

4/19/17 Date ~~Treasurer~~ Vice-President Jane T. Boudreau

4-19-17 Date President R.O. Wilfrain