

***Lafourche Parish Fire Protection District No. 1***

***ANNUAL FINANCIAL REPORT***

***As of and for the Year Ended December 31, 2016***

**Lafourche Parish Fire Protection District No. 1**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended December 31, 2016**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	1
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report	8
 <b>Basic Financial Statements:</b>	
<i>Government Wide Financial Statements:</i>	
Statement of Net Position	11
Statement of Activities	12
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances-Governmental Funds to the Statement of Activities	15
<i>Notes to the Financial Statements</i>	16
 <b>REQUIRED SUPPLEMENTAL INFORMATION</b>	
Budgetary Comparison Schedule – General Fund	25
Budgetary Comparison Schedule – Debt Service	26
 <b>OTHER INFORMATION</b>	
Schedule of Compensation, Benefits and Other Payments To Agency Head	27
 <b>REPORTS REQUIRED ACCORDING BY GAO</b>	
Independent Auditor's Report on Internal Control over Financial Reporting And On Compliance and Other Matters Based On an Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	28
Schedule of Current Year Findings	30

**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2016*

The following narrative is presented to facilitate a better understanding of the year-end financial position and results of operations for the year ended December 31, 2016. When read in conjunction with the notes to the financial statements, this section's financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the financial performance.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report, located immediately following this MD&A, that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

**Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities report information as a whole. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the District.

**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2016*

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations assets exceeded liabilities by \$2,787,572 (net position).
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$1,821,396 including the cost of trucks and equipment less accumulated depreciation.
  - (2) Restricted for debt service of \$822,219.
  - (3) Unrestricted of \$822,219 representing the portion available to maintain the continuing obligations to citizens and creditors.
- Total spending for all public safety activities was \$483,935 for the year, which was \$416,694 more than the program revenues for these activities. The general revenues used to offset the shortfall for program expenditures totaled \$542,548 for the year.
- The governmental funds reported total ending fund balance of \$966,176, of which \$755,437 was unassigned: \$66,782 was non-spendable for prepaid insurance; \$143,957 and was considered restricted for debt service. This compares to the prior year ending fund balance – of \$966,176, showing an increase of \$330,382 during the current year.
- Total revenue reported for all governmental funds was \$609,707, a decrease of approximately 4% from the prior year. Total expenditures were \$279,407, including \$48,067 of capital expenditures. This resulted in an excess of revenues over expenditures for the year of \$330,382.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance.

**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2016*

A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

***Government-Wide Financial Statements***

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

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws. The District utilizes the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2016*

**FINANCIAL ANALYSIS AS A WHOLE (GWFS)**

The Statement of Net Position and the Statement of Activities reports governmental activities. Our analysis below focuses on the net position of the governmental-type activities:

Condensed Statement of Net Position

	2015	2016	Increase (Decrease)
Current and Other Assets	\$ 1,192,168	\$ 1,549,546	\$ 357,378
Capital Assets	2,025,924	1,821,396	(204,528)
<b>Total Assets</b>	<b>3,218,092</b>	<b>3,370,942</b>	<b>152,850</b>
<b>Deferred Inflows</b>	<b>556,375</b>	<b>583,370</b>	<b>26,995</b>
Net Invested in Capital Assets	2,025,924	1,821,396	(204,528)
Restricted	143,875	143,957	82
Unrestricted	491,919	822,219	330,300
<b>Total Net Position</b>	<b>\$ 2,661,718</b>	<b>\$ 2,787,572</b>	<b>\$ 125,854</b>

Net position increased by \$125,854 – approximately 4.5%, as a result of this year's operations, which indicates that the overall financial position improved during the year. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed a gain of \$330,300. Conversely, Net Investment in Capital Assets absorbed a \$204,528 decrease. The balance in net assets represents the accumulated results of all past years' operations.

Total revenues generated by governmental activities for the year were \$609,789 (\$67,241 in program revenues and \$542,548 in general revenues). The total cost of all public safety services provided was \$483,935.

**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended December 31, 2016

Our analysis below focuses on the operations of the governmental-type activities:

Condensed Statement of Activities

	2015	2016	Increase (Decrease)
Charges for Services	\$ 2,841	\$ 2,600	\$ (241)
Operating Grants and Contributions	73,093	64,641	(8,452)
<b>Program Expenses:</b>			
Current	257,046	243,822	(13,224)
Depreciation - unallocated	242,603	240,113	(2,490)
<b>Total program expenses</b>	<u>499,649</u>	<u>483,935</u>	<u>15,714</u>
<b>Net program income</b>	(423,715)	(416,694)	7,021
General revenues	<u>560,212</u>	<u>542,548</u>	<u>(17,664)</u>
<b>Change in Net Position</b>	136,497	125,854	10,643
<b>Net Position:</b>			
Beginning of the year	<u>2,525,221</u>	<u>2,661,718</u>	<u>136,497</u>
End of the year	<u>\$ 2,661,718</u>	<u>\$ 2,787,572</u>	<u>\$ 125,854</u>

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)**

The District uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health. Following is an analysis of the major funds:

The General Fund reported an ending fund balance of \$822,219, of which \$66,782 is non-spendable for prepaid insurance, the remainder of \$ 755,437 is considered unassigned and available to spend. This amount represents 124% of general fund revenues. The General Fund revenues were primarily ad valorem taxes levied for maintenance and operations for fire protection in the District. These revenues were reduced by current expenditures for fire protection of \$231,340 and capital outlay for station equipment or improvement, truck inventory, and other necessary equipment of \$48,067.

**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2016*

**GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no amendments necessary to the original budget for the General Fund during the year. Total revenue and expenditure variances were favorable on the budget comparison schedules presented and are considered in compliance with the State Budget Law. More information on the current year budget can be found in the General Fund Budgetary Comparison Schedule.

**CAPITAL ASSETS**

A summary of capital assets for the current and prior year follows:

	2015	2016
Land	\$ 64,500	\$ 64,500
Stations & Equipment	1,240,773	1,109,495
Trucks & Equipment	3,292,983	2,258,010
Other Equipment	583,184	516,518
Total Cost	5,181,440	3,948,523
Accumulated Depreciation	3,155,516	2,127,127
Net Capital Assets	<u>\$ 2,025,924</u>	<u>\$ 1,821,396</u>
Depreciation Expense	<u>\$ 242,603</u>	<u>\$ 240,113</u>

More detailed information about the capital assets is presented in Note 6 to the basic financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Highlights of the 2017 adopted budget for the General Fund include:

Beginning Fund Balance	\$ 583,921
Projected Revenue	625,742
Projected Expenditures	(1,209,581)
Ending Fund Balance	<u>\$ 82</u>



**Lafourche Parish Fire Protection District No. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2016*

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Lafourche Parish Fire Protection District No. 1 finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Randall Robichaux, Treasurer  
P.O. Box 156  
Raceland, LA 70394  
985-537-7517

# ***FINANCIAL SECTION***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

---

## Independent Auditor's Report

To the Board of Commissioners,  
Of the Lafourche Parish Fire Protection District No. 1  
Lafourche Parish, Louisiana

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2016, and the notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these basic 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 Statements*, 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 basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting 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 evaluation 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 financial position of the governmental activities and each major fund as of December 31, 2016 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information 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.



***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

These schedules 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 Schedule of Compensation, Benefits and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 1, 2017, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

*Stagni & Company*

Thibodaux, Louisiana  
June 1, 2017



---

STAGNI & COMPANY, LLC

---

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**

Statement of Net Position

December 31, 2016

**ASSETS**

Cash	\$ 727,918
Ad valorem taxes receivable	118,909
Due from other governmental units-ad valorem taxes	463,453
Prepaid Insurance	66,782
Deposits	172,484
Capital Assets, net of accumulated depreciation	<u>1,821,396</u>
<b>TOTAL ASSETS</b>	<b><u>3,370,942</u></b>

**DEFERRED INFLOWS OF RESOURCES**

Subsequent year - property taxes	583,370
----------------------------------	---------

**NET POSITION**

Net investment in capital assets	1,821,396
Restricted for Debt Service	143,957
Unrestricted	<u>822,219</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 2,787,572</u></b>

See notes to financial statements.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**  
**LAFOURCHE PARISH, LOUISIANA**

Statement of Activities - Governmental Activities  
For the Year Ended December 31, 2016

<b>FUNCTIONS/PROGRAMS</b>	Expenses	Charges for services	Operating Grants	Net Revenue (Expense)
Public safety activities	\$ 483,935	\$ 2,600	\$ 64,641	\$ (416,694)
Total governmental activities	483,935	2,600	64,641	(416,694)
<b>GENERAL REVENUES</b>				
				532,373
				10,175
				542,548
<b>CHANGE IN NET POSITION</b>				125,854
<b>NET ASSETS:</b>				
				2,661,718
				\$ 2,787,572

See notes to financial statements.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**

Balance Sheet - Governmental Funds  
December 31, 2016

	General Fund	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 583,961	\$ 143,957	\$ 727,918
Ad valorem taxes recievable	118,909	-	118,909
Due from other governmental units	463,453	-	463,453
Prepaid Insurance	66,782	-	66,782
Deposits	172,484	-	172,484
Total assets	<u>\$ 1,405,589</u>	<u>\$ 143,957</u>	<u>\$ 1,549,546</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Subsequent year - property taxes	\$ 583,370	\$ -	\$ 583,370
Total Liabilities	583,370	-	583,370
<b>FUND BALANCES</b>			
Non-spendable - Prepaid Insurance	66,782	-	66,782
Restricted for Debt Service	-	143,957	143,957
Unassigned	755,437	-	755,437
	<u>822,219</u>	<u>143,957</u>	<u>966,176</u>
Total liabilities and fund balances	<u>\$ 1,405,589</u>	<u>\$ 143,957</u>	<u>\$ 1,549,546</u>

**RECONCILIATION OF FUND BALANCES TO THE STATEMENT OF NET ASSETS:**

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Add - Capital Assets, Nondepreciable	64,500	
Add - Capital Assets, Depreciable	3,884,023	
Deduct - Accumulated Depreciation	<u>(2,127,127)</u>	1,821,396

Net assets of governmental activities		<u>\$ 2,787,572</u>
---------------------------------------	--	---------------------

See notes to financial statements.



**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**

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

	General Fund	Debt Service	Total Governmental Funds
<b>REVENUES</b>			
Taxes-ad valorem	\$ 532,364	\$ 9	\$ 532,373
Intergovernmental - State of Louisiana:			
State Revenue Sharing	10,175	-	10,175
Insurance Rebate	64,641	-	64,641
Miscellaneous	2,527	73	2,600
<b>TOTAL REVENUES</b>	<u>609,707</u>	<u>82</u>	<u>609,789</u>
<b>EXPENDITURES</b>			
Current - General government			
Ad valorem tax deductions	17,737	-	17,737
Current - Public safety			
Insurance	65,034	-	65,034
Operating Exp-Trucks	7,957	-	7,957
Maintenance-Trucks	48,343	-	48,343
SCBA	8,858	-	8,858
Communications	3,069	-	3,069
Maintenance -Buildings	18,272	-	18,272
Utilities	15,931	-	15,931
Telephone	8,002	-	8,002
Publications	1,320	-	1,320
Fire Prevention Week	6,541	-	6,541
Professional Services	13,196	-	13,196
Leases	500	-	500
Training	3,992	-	3,992
Fire fighting equipment	3,685	-	3,685
Miscellaneous	8,903	-	8,903
Total current	<u>231,340</u>	<u>-</u>	<u>231,340</u>
Capital outlay	<u>48,067</u>	<u>-</u>	<u>48,067</u>
Debt Service:			
Principal Retirement	-	-	-
Interest and fiscal charges	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>279,407</u>	<u>-</u>	<u>279,407</u>
Revenues over (under) expenditures	330,300	82	330,382
<b>FUND BALANCES</b>			
Beginning of year	491,919	143,875	635,794
End of year	<u>\$ 822,219</u>	<u>\$ 143,957</u>	<u>\$ 966,176</u>

See notes to financial statements.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**

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

Net change in fund balances - total governmental funds \$ 330,382

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.

Add - Capital Outlay	\$ 48,067	
Deduct - Depreciation Expense	(240,113)	
Loss on Disposal of Assets	2,275	
Less - donated assets	<u>(14,757)</u>	(204,528)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes current financial resources of governmental funds.

Add - Bond principal payments -

Accrued interest expense on debt and the amortization of bond issuance costs are not recorded by governmental funds, but are reported in the governmental activities.

Add increase in Accrued interest payable -

Change in net assets of governmental activities \$ 125,854

See notes to financial statements.

# **LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2016

The Lafourche Parish Council adopted a resolution creating Fire Protection District No. 1 of the Parish of Lafourche, Louisiana and defining and describing the boundaries thereof on May 13, 1953. The District comprises that territory within the present boundaries of Police Jury Wards three and seven of Lafourche Parish. 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 have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

### **A.      Reporting Entity**

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the Lafourche Parish Council is considered to be the primary government for financial reporting purposes for the Parish of Lafourche.

Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include:

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

# **LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2016

## **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

### **A.      Reporting Entity (continued)**

The District is considered a component unit of the Lafourche Parish Council, if applying the criteria above and as such, these financial statements will be included in the comprehensive annual financial report (CAFR). This decision is based on the fact that the Parish Council appoints the voting majority of the Board of Commissioners of the District.

### **B.      Basic Financial Statements – Basis of Presentation**

#### **Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental type activities. All of the services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The net position is reported in three parts—net investment in capital assets, restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the functions and activities. These functions are also supported by general government revenues (interest earned). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (ad valorem taxes, state revenue sharing, interest earned, etc). This government-wide focus is more on the sustainability as an entity and the change in the net assets resulting from the current year's activities.

# **LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2016

## **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

### **Fund Accounting**

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

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

### **Governmental Funds**

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

General Fund - The General Fund is used to account for all financial resources and expenditures except those that are required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

### **C.      *Measurement Focus / Basis of Accounting***

#### ***Fund Financial Statements (FFS)***

The amounts reflected in fund financial statements, 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 operations.

# LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2016

## **Note 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

### *C. Measurement Focus / Basis of Accounting (continued)*

#### *Fund Financial Statements (FFS) (continued)*

The amounts reflected in the fund financial statements, 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. Revenues are considered 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** – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2016 property taxes which were levied to finance the 2016 budget are recognized as revenue in 2016 – and are recorded as unearned in 2016. Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable or available until actually received.

**Expenditures** – The major expenditures current public safety supplies, insurance and repair and maintenance of equipment and facilities are recorded when payable or when the fees are incurred.

#### *Government-Wide Financial Statements (GWFS)*

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

# **LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2016

## **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

### *D.      Measurement Focus / Basis of Accounting (continued)*

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

### *E.      Use of Estimates*

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

### *F.      Operating Budgets*

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District. The Board, as allowed by state law, does not obtain public participation in the budget process. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America. There were no adjustments to the originally adopted budget.

### *G.      Cash*

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the court 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.

# LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2016

## **Note 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

### *H. Receivables*

The financial statements contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

### *I. Capital Assets*

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<u>CATEGORY</u>	<u>LIFE</u>
BUILDINGS	25 YEARS
TRUCKS	15 YEARS
EQUIPMENT	5 YEARS

### *J. Restricted Net Assets*

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

### *K. Fund Equity*

For government-wide financial statements net assets are classified and displayed in three components:

1. Net investment 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, if any.



# LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2016

## **Note 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

### **K. Fund Equity (Continued)**

2. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as *non-spendable, restricted, committed, assigned, or unassigned*.

- *Non-spendable* fund balance cannot be spent because of its form.
- *Restricted* fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions.
- *Committed* fund balance is a limitation imposed by the Board through approval in minutes.
- *Assigned* fund balances is a limitation imposed by a designee of the Board.
- *Unassigned* fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

## **Note 2**      **DEPOSITS**

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At December 31, 2016, the reported amount of deposits was \$727,918 and the bank balance was \$735,047. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial credit risk is the risk that in an event of a bank failure, the deposits may not be returned to it. Of the total bank balance, \$341,084 is considered exposed to custodial credit risk.

# **LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2016

## **Note 2 DEPOSITS (Continued)**

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance (FDIC) must equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The District has securities pledged of \$623,217.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

## **Note 3 AD VALOREM TAXES**

Property taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law.

A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2012. Taxes are due and payable December 31 with interest being charged on payments after January 1.

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 tax rate for the year ended December 31, 2016 was \$10.0 per \$1,000 of assessed valuation on property within Lafourche Parish Fire Protection District No. 1 for the purpose of maintaining and operating fire protection facilities and programs.

## **Note 4 COMPENSATION OF BOARD MEMBERS**

No compensation was paid to Board Members during the year ended December 31, 2016.

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2016

**Note 5 DUE FROM OTHER GOVERNMENTAL UNITS**

The amounts due from other governmental units at December 31, 2016 consisted of ad valorem tax collections due from the Lafourche Parish Tax Collector to be remitted to the District in January 2017.

**Note 6 CAPITAL ASSETS**

A schedule of changes in capital assets follows:

<b>Governmental activities</b>	<b>Balance 12/31/15</b>	<b>Additions</b>	<b>Donations/ Adjustments/ Deletions</b>	<b>Balance 12/31/16</b>
Land	\$ 64,500	-	-	<b>\$ 64,500</b>
Stations & Equipment	1,240,773	19,816	(151,094)	1,109,495
Trucks & Equipment	3,292,983	4,403	(1,039,376)	2,258,010
Other Equipment	583,184	38,605	(105,271)	516,518
Total Depreciable assets	\$5,116,940	62,824	(1,295,741)	<b>\$3,884,023</b>
Total Cost of Assets	\$5,181,440	62,824	(1,295,741)	<b>\$3,948,523</b>

Less accumulated depreciation:

Stations & Equipment	\$823,726	51,637	(149,673)	\$725,690
Trucks & Equipment	1,987,736	138,858	(1,013,558)	1,113,034
Other Equipment	344,054	49,618	(105,271)	288,403
Total Accumulated Depreciation	3,155,516	<b>240,113</b>	(1,268,502)	<b>2,127,127</b>
Net Capital Assets	\$2,025,924			<b>\$1,821,396</b>

Depreciation expense for the year was \$240,113 recorded in governmental activities. This adjustment is reflected on the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities accordingly.

**Note 7 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

***REQUIRED SUPPLEMENTAL  
INFORMATION***

**LAFORCHE PARISH FIRE PROTECTION DISTRICT NO. 1**

Budgetary Comparison Schedule - General Fund  
For the Year Ended December 31, 2016

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 528,556	\$ 528,556	\$ 532,364	\$ 3,808
State of Louisiana:				
State Revenue Sharing	10,000	10,000	10,175	175
Insurance Rebate	73,500	73,500	64,641	(8,859)
Miscellaneous	1,000	1,000	-	(1,000)
Interest	1,000	1,000	2,527	1,527
<b>TOTAL REVENUES</b>	<u>614,056</u>	<u>614,056</u>	<u>609,707</u>	<u>(4,349)</u>
<b>EXPENDITURES</b>				
Current - General government				
Ad valorem tax deductions	16,500	16,500	17,737	(1,237)
Current - Public safety				
Insurance	68,000	68,000	65,034	2,966
Operating Exp-Trucks	8,000	4,500	7,957	(3,457)
Maintenance-Trucks	30,000	52,000	48,343	3,657
SCBA	27,000	10,500	8,858	1,642
Hoses	5,000	5,000	-	5,000
Maintenance -Buildings	15,000	18,000	18,272	(272)
Utilities	20,000	18,000	15,931	2,069
Fire Fighting Equipment	9,900	6,400	3,685	2,715
Telephone	7,000	8,000	8,002	(2)
Communications	24,000	27,000	3,069	23,931
Publications	2,000	2,000	1,320	680
Fire Prevention Week	7,000	7,000	6,541	459
Professional Services	13,000	13,000	13,196	(196)
Leases	500	500	500	-
Training	10,000	6,000	3,992	2,008
Permits/Fees	1,000	-	-	-
Miscellaneous	5,000	6,500	8,903	(2,403)
Total current	<u>268,900</u>	<u>268,900</u>	<u>231,340</u>	<u>37,560</u>
Capital outlay	771,914	771,914	48,067	723,847
<b>TOTAL EXPENDITURES</b>	<u>1,040,814</u>	<u>1,040,814</u>	<u>279,407</u>	<u>761,407</u>
Net change in fund balance	(426,758)	(426,758)	330,300	757,058
<b>FUND BALANCES</b>				
Beginning of year	426,833	426,833	491,919	65,086
End of year	<u>\$ 75</u>	<u>\$ 75</u>	<u>\$ 822,219</u>	<u>\$ 822,144</u>

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**

Budgetary Comparison Schedule - Debt Service Fund

For the Year Ended December 31, 2016

	Budget Final <u>(no amendments)</u>	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$0	\$9	\$9
Other	200	73	(127)
TOTAL REVENUES	<u>200</u>	<u>82</u>	<u>(118)</u>
 <b>EXPENDITURES</b>			
Current - General government:			
Ad valorem tax deductions	-	-	-
Total current	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service:			
Principal Retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balance	200	82	(118)
 <b>FUND BALANCES</b>			
Beginning of year	143,875	143,875	-
End of year	<u>\$ 144,075</u>	<u>\$ 143,957</u>	<u>\$ (118)</u>

***OTHER INFORMATION***

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1**  
 Schedule of Compensation, Benefits and Other Payments to Agency Head  
 For the Year Ended December 31, 2016

**Agency Head Name: Mr. Lester Griffin, Board President**

<b>Purpose</b>	<b>Amount</b>
Salary	\$0
Benefits-insurance	\$0
Benefits-retirement	\$0
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (describe)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$0
Dues	\$0
Vehicle rental	\$0
Per diem	\$0
Reimbursements	157.96
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Housing	\$0
Unvouchered expenses (example: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$0

***This form is used to satisfy the supplemental reporting requirement of R.S. 24:513(A)(3)***



***REPORTS REQUIRED BY GOVERNMENT  
AUDITING STANDARDS***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

---

**Independent Auditor's Report on Internal Control over Financial Reporting  
And On Compliance and Other Matters Based On an Audit Of  
Financial Statements Performed In Accordance With  
Government Auditing Standards**

To the Board of Commissioners,  
Of the Lafourche Parish Fire Protection District No. 1  
Raceland, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council, 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 and have issued our report thereon dated June 1, 2017.

### ***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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.

To the Board of Commissioners  
Lafourche Parish Fire Protection District No. 1  
Page 2

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the 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*.

### ***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 Legislative Auditor as a public document.

*Stagni & Company*

June 1, 2017  
Thibodaux, Louisiana



**Lafourche Parish Fire Protection District No. 1**  
**Schedule of Current Year Findings**  
**For the Year Ended December 31, 2016**

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

- The auditor's report expresses an unmodified opinion on the basic financial statements.
- No deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
- No instances of noncompliance or other matters under *Government Auditing Standards* were disclosed during the audit of the financial statements.
- No instances of noncompliance under the provisions of Louisiana Governmental Audit Guide were disclosed during the audit of the basic financial statements.
- There was no management letter issued in connection with this audit.
- The District neither received nor expended any federal awards during the year.

***Section II - Financial Statement Findings***

- There were no financial statement findings during the audit of the basic financial statements.

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

- There were no federal award findings during the audit of the basic financial statements.