

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE
TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2017
AND FOR THE YEAR THEN ENDED

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

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**FIRE PROTECTION DISTRICT NO. 1
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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners
Fire Protection District No. 1 of Tensas Parish, Louisiana
St. Joseph, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Fire Protection District No. 1 of Tensas Parish, Louisiana, a component unit of the Tensas Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire Protection District No. 1 of Tensas Parish, Louisiana as of December 31, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 7 and the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 26 through 29 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 Fire Protection District No. 1 of Tensas Parish, Louisiana's basic financial statements. The Schedule of Insurance Coverage; the Schedule of Compensation of the Governing Board; and the Schedule of Compensation, Benefits, and other Payments to Agency Head or Chief Executive Officer, described in the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Insurance Coverage; the Schedule of Compensation of the Governing Board; and the Schedule of Compensation, Benefits, and other Payments to Agency Head or Chief Executive Officer 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 Insurance Coverage; the Schedule of Compensation of the Governing Board; and the Schedule of Compensation, Benefits, and other Payments to Agency Head or Chief Executive Officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Insurance Coverage; the Schedule of Compensation of the Governing Board; and the Schedule of Compensation, Benefits, and other Payments to Agency Head or Chief Executive Officer have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

This report is intended for the information of the Members of the District, the Tensas Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, LLP

Natchez, Mississippi
June 5, 2018

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

FIRE PROTECTION DISTRICT NO. 1 OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2017

Our discussion and analysis of Fire Protection District No. 1 of Tensas Parish, Louisiana's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2017.

The District's main fire station is located on Plank Road in St. Joseph, Louisiana. The District provides fire protection for all of Tensas Parish, Louisiana with fire stations located in ten locations. The District operates primarily with volunteers and three full-time employees.

FINANCIAL HIGHLIGHTS

- General revenues were \$541,119 in 2017, compared to \$532,504 in 2016.
- General expenditures were \$553,282 in 2017, compared to \$626,713 in 2016.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and sales taxes. Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 8 through 9 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The governmental fund financial statements can be found on pages 10 through 13 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 25 of this report.

**FIRE PROTECTION DISTRICT NO. 1 OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the net position at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 459,534	\$ 416,802
Capital assets	<u>434,827</u>	<u>538,074</u>
Total assets	<u>\$ 894,361</u>	<u>\$ 954,876</u>
Deferred outflow of resources	<u>\$ 86,013</u>	<u>\$ 149,587</u>
Current liabilities	\$ 161,002	\$ 151,435
Long-term liabilities	<u>438,050</u>	<u>566,571</u>
Total liabilities	<u>\$ 599,052</u>	<u>\$ 718,006</u>
Deferred inflow of resources	<u>\$ 26,958</u>	<u>\$ 19,930</u>
Net position		
Investment in capital assets (net of related debt)	\$ 291,557	\$ 325,501
Unrestricted	<u>62,807</u>	<u>41,026</u>
Total net position	<u>\$ 354,364</u>	<u>\$ 366,527</u>

The following is a summary of the statement of activities for 2017 and 2016:

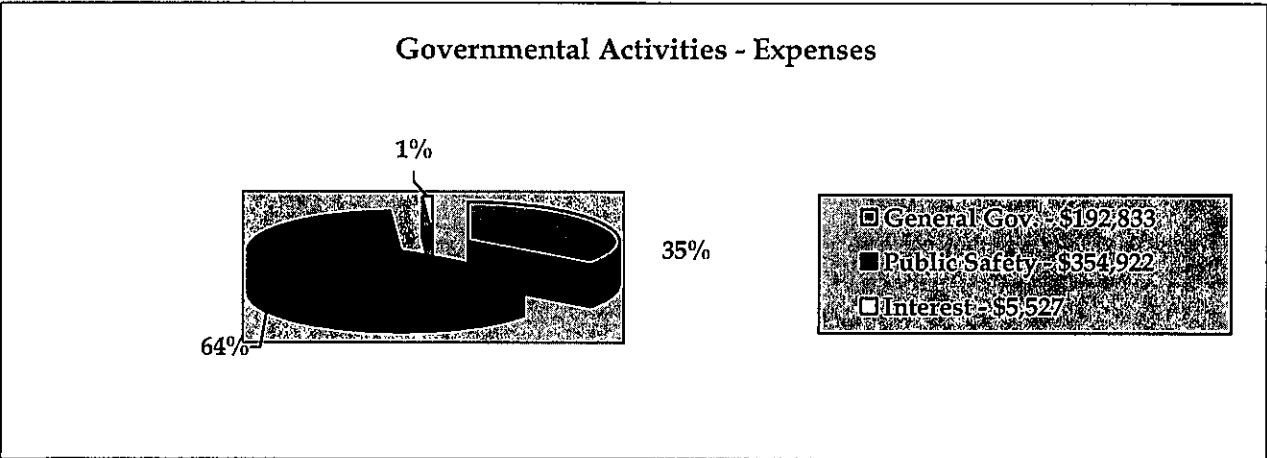
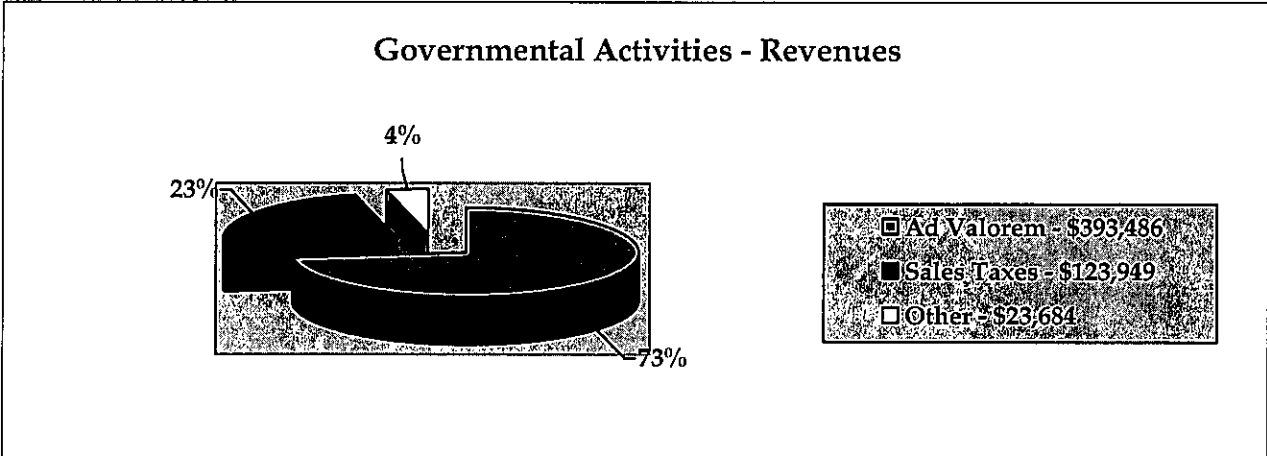
	<u>2017</u>	<u>2016</u>
Revenues		
Taxes	\$ 517,435	\$ 509,786
Other	<u>23,684</u>	<u>22,718</u>
Total revenues	<u>\$ 541,119</u>	<u>\$ 532,504</u>
Expenses		
General and administrative	\$ 192,833	\$ 186,690
Public safety – fire	354,922	432,754
Debt service – interest	<u>5,527</u>	<u>7,269</u>
Total expenses	<u>\$ 553,282</u>	<u>\$ 626,713</u>
Decrease in net position	\$ (12,163)	\$ (94,209)
Net position – beginning of year	<u>366,527</u>	<u>460,736</u>
Net position – end of year	<u>\$ 354,364</u>	<u>\$ 366,527</u>

FIRE PROTECTION DISTRICT NO. 1 OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2017

The following are graphical representations of information presented in the Statement of Activities for Governmental Activities in 2017:



GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget was not amended during the year.

The actual general fund expenditures were \$1,426 more than the budgeted amounts.

Revenues available for expenditure were \$125,575 more than the budgeted amounts.

**FIRE PROTECTION DISTRICT NO. 1 OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2017

CAPITAL ASSETS

At the end of the year, the District had \$291,557 invested in capital assets (net of related debt), including land, buildings, furniture, fire-fighting equipment, and vehicles. This year there were additions of \$11,308 in capital assets. More detailed information about the District's capital assets is presented in Note 4 of the financial statements.

The additions in 2017 included the following:

Air Compressor	\$	2,743
Air Compressor		3,114
Concrete Slab		2,200
Replacement of Compressor Head PD-2770		2,046
Battery Charger Replacement		1,205
		<u>11,308</u>
	<u>\$</u>	<u>11,308</u>

DEBT

At year end, the District had \$143,270 in capital leases outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Taking all factors into consideration, the District's general fund balance is expected to remain unchanged by the close of 2017.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Ricky Jones, Fire Chief, 205 Hancock Street, St. Joseph, Louisiana 71366, (318) 766-3004.

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

STATEMENT OF NET POSITION

DECEMBER 31, 2017

ASSETS

Cash	\$ 145,981
Receivables, net	285,014
Deposits	1,500
Prepaid assets	27,039
Capital assets, net	<u>434,827</u>
Total assets	<u>\$ 894,361</u>
Deferred outflows of resources	<u>\$ 86,013</u>

LIABILITIES

Accounts payable	\$ 32,489
Accrued liabilities	18,562
Accrued compensated absences	38,856
Capital leases payable - current portion	71,095
Capital leases payable - long-term portion	72,175
Net pension liabilities	<u>365,875</u>
Total liabilities	<u>\$ 599,052</u>
Deferred inflows of resources	<u>\$ 26,958</u>

NET POSITION

Invested in capital assets, net of related debt	\$ 291,557
Unrestricted	<u>62,807</u>
Total net position	<u>\$ 354,364</u>

The accompanying notes are an integral part of this financial statement.

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

STATEMENT OF ACTIVITIES

DECEMBER 31, 2017

GENERAL REVENUES

Taxes		
Ad valorem taxes	\$	393,486
Sales tax		123,949
Interest earnings		266
Other revenues		<u>23,418</u>
Total general revenues	\$	<u>541,119</u>

GENERAL EXPENSES

Governmental activities		
General government	\$	192,833
Public safety - fire		354,922
Interest expense		<u>5,527</u>
Total general expenses	\$	<u>553,282</u>
Changes in net position	\$	(12,163)
Net position, beginning of year		<u>366,527</u>
Net position, end of year	\$	<u><u>354,364</u></u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2017

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>		
Cash	\$ 145,981	\$ 145,981
Receivables (net of allowance for uncollectibles)	285,014	285,014
Deposits	1,500	1,500
Prepaid assets	27,039	27,039
Total assets	<u>\$ 459,534</u>	<u>\$ 459,534</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Accounts payable	\$ 32,489	\$ 32,489
Accrued liabilities	18,562	18,562
Total current liabilities	<u>\$ 51,051</u>	<u>\$ 51,051</u>
Fund balance		
Unassigned	<u>\$ 408,483</u>	<u>\$ 408,483</u>
Total fund balance	<u>\$ 408,483</u>	<u>\$ 408,483</u>
Total liabilities and fund balance	<u>\$ 459,534</u>	<u>\$ 459,534</u>

The accompanying notes are an integral part of this financial statement.

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANARECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2017

Total Fund Balances for Governmental Funds (Statement C)		\$	408,483
Total net position reported for governmental activities in the Statement of Net Position is different because:			
Capital assets used by governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Cost of capital assets	\$	2,392,472	
Less accumulated depreciation		<u>(1,957,645)</u>	434,827
Deferred outflows and inflows are not financial resources or currently payable			
Deferred outflows	\$	86,013	
Deferred inflows		<u>(26,958)</u>	59,055
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund liabilities.			(143,270)
Accrued compensated absences liability			(38,856)
Net pension liability			<u>(365,875)</u>
Total Net Position of Governmental Activities (Statement A)		\$	<u>354,364</u>

The accompanying notes are an integral part of this financial statement.

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2017

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>		
Taxes		
Ad valorem taxes	\$ 393,486	\$ 393,486
Sales tax	123,949	123,949
Interest earnings	266	266
Other revenues	<u>23,418</u>	<u>23,418</u>
Total revenues	<u>\$ 541,119</u>	<u>\$ 541,119</u>
<u>EXPENDITURES</u>		
General government	\$ 192,832	\$ 192,832
Public safety - fire	224,322	224,322
Capital outlay	11,308	11,308
Debt service		
Principal retirement	69,303	69,303
Interest expense	<u>5,527</u>	<u>5,527</u>
Total expenditures	<u>\$ 503,292</u>	<u>\$ 503,292</u>
Excess of revenues over expenditures	\$ 37,827	\$ 37,827
Fund balance, beginning of year	<u>370,656</u>	<u>370,656</u>
Fund balance, end of year	<u>\$ 408,483</u>	<u>\$ 408,483</u>

The accompanying notes are an integral part of this financial statement.

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
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ST. JOSEPH, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2017

Net Changes in Fund Balance - Governmental Fund (Statement E)	\$	37,827
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Amounts reported for governmental activity in the Statement of Activity is different because:

Capital outlays are reported in governmental funds 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. This is the amount by which depreciation exceeded capital outlays in the current period:

Capital outlays	\$	11,308	
Depreciation expense		<u>(114,555)</u>	(103,247)

Expenditures in the Statement of Activities that do not involve current financial resources:

Accrued compensated absences expense increase	\$	(2,872)	
Net changes in assumptions related to pensions		<u>35,062</u>	32,190

Governmental funds report debt service payments as expenditures and funds borrowed as revenues. However, in the Statement of Activities, repayments of principal of indebtedness reduce long-term liabilities in the Statement of Net Position, and loan proceeds increase long-term liabilities:

Repayment of long-term liabilities	69,303
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Net pension expense is reported in governmental funds as expenditures as they are paid. However, in the Statement of Activities, the net pension expense is reported according to estimates required by GASB 68:

Pension expenses paid	\$	19,748	
Pension expenses per GASB 68		<u>(67,984)</u>	<u>(48,236)</u>

Change in Net Position per Statement of Activities (Statement B)	\$	<u>(12,163)</u>
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The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

INTRODUCTION

1. The Tensas Parish Police Jury created the Fire Protection District No. 1 of Tensas Parish, Louisiana May 25, 1999, by resolution. The District operates in compliance with Part I Chapter 7, Title 40 of the Louisiana Revised Statutes of 1950.
2. The purpose of the District is to provide fire protection for Tensas Parish.
3. The District's boundaries are all of Tensas Parish, Louisiana. Tensas Parish is located in Northeast Louisiana and has a population of 4,900.
4. A Board of Commissioners of five members governs the District, two of which are appointed by the Tensas Parish Police Jury, and three are appointed by the Town of St. Joseph, Louisiana. The Board members are presently serving without compensation.
5. The District had three paid full-time employees during 2017.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of the Fire Protection District No. 1 of Tensas Parish, Louisiana 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 accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statement - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. Reporting Entity

The District does not possess all the corporate powers necessary to make it a legally separate entity from the Tensas Parish Police Jury which holds the District's corporate powers. For this reason, the District is a component unit of the Tensas Parish Police Jury, 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 Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

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

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
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ST. JOSEPH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

Governmental Funds

Governmental funds account for all or most of the District's 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 which may be used to finance future period programs or operations of the District. The following is a description of the District's fund:

1. General Fund - the primary operating fund of the District, and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

D. Measurement Focus/Basis of Accounting

Fund Financial Statements

The amounts reflected in the governmental funds of Statements C and D 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 the District's operations.

The amounts reflected in the governmental funds of Statements C and D use the accrual basis of accounting. Under the 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 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.

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus/Basis of Accounting (continued)

Government-Wide Financial Statements

The page labeled Statement of Net Position (Statement A) and the page labeled Statement of Activities (Statement B) display information about the District as a whole. These statements include all of the financial activities of the District. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

E. Budgets

The District uses the following budget practices:

1. The Fire Chief prepares a proposed budget and submits same to the District Board of Commissioners no later than fifteen days prior to the beginning of each year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the District Board of Commissioners.
6. All budgetary appropriations lapse at the end of each year.
7. Budgets are adopted on a budgetary basis. Budget amounts are as originally adopted or as amended from time to time by the District Board of Commissioners.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. 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.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are 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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	30 years
Furniture and fixtures	5 years
Vehicles	5 years
Equipment	15 years

H. Compensated Absences

The District has implemented GASB Statement 16, *Accounting for Compensated Absences*. Under GASB Statement Number 16, a liability for unpaid vacation that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to benefits.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources.

Each full-time employee is credited with one day of sick leave for each month worked. The employee's sick leave will begin to accumulate after working one month.

I. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Fund Equity

Beginning with fiscal year 2014, the District implemented GASB Statement 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the District strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

L. Impact of Recently Issued Accounting Principles

As of December 31, 2017, the District implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which resulted in a cumulative change in accounting principle and also a restatement of net position, detailed in Note 11.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2017, the District had cash and cash equivalents (book balances) totaling \$145,981. The cash was held in interest-bearing demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

NOTE 3 - RECEIVABLES

The receivables of \$285,014 at December 31, 2017, were as follows:

Ad valorem	\$ 233,039
Sales taxes	<u>51,975</u>
Total receivables	<u>\$ 285,014</u>

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activities as of and for the year ended December 31, 2017, for the primary government were as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 3,509	\$ -	\$ -	\$ 3,509
Capital assets being depreciated				
Buildings	\$ 443,039	\$ -	\$ -	\$ 443,039
Equipment	<u>1,934,616</u>	<u>11,308</u>	<u>-</u>	<u>1,945,924</u>
Total capital assets being depreciated	<u>\$ 2,377,655</u>	<u>\$ 11,308</u>	<u>\$ -</u>	<u>\$ 2,388,963</u>
Less accumulated depreciation for:				
Buildings	\$ (218,812)	\$ (15,270)	\$ -	\$ (234,082)
Equipment	<u>(1,624,278)</u>	<u>(99,285)</u>	<u>-</u>	<u>(1,723,563)</u>
Total accumulated depreciation	<u>\$ (1,843,090)</u>	<u>\$ (114,555)</u>	<u>\$ -</u>	<u>\$ (1,957,645)</u>
Total capital assets being depreciated, net	<u>\$ 534,565</u>	<u>\$ (103,247)</u>	<u>\$ -</u>	<u>\$ 431,318</u>
Total capital assets	<u>\$ 538,074</u>	<u>\$ (103,247)</u>	<u>\$ -</u>	<u>\$ 434,827</u>

Depreciation expense of \$114,555 for the year ended December 31, 2017, was charged to the public safety functions.

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at December 31, 2017, were as follows:

Accounts payable	\$	32,489
Accrued liabilities:		
Accrued payroll	\$	12,815
Retirement		4,533
Withholding	<u>1,214</u>	<u>18,562</u>
Total	<u>\$</u>	<u>51,051</u>

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 6 - GENERAL LONG-TERM DEBT

At December 31, 2017, long-term debt was comprised of the following:

\$342,624 capital lease due in annual installments of \$57,701 beginning December 15, 2016 through December 15, 2018, interest at 2.6%, secured by pumper fire truck	\$ 119,325
\$59,918 capital lease due in annual installments of \$11,602 beginning July 1, 2016 through July 1, 2019, interest at 4.255%, secured by Chevrolet Suburban	23,945
Compensated absences	<u>38,856</u>
	<u>\$ 182,126</u>

The following is a summary of the long-term debt transactions for the year ended December 31, 2017:

	<u>Balance</u> <u>December 31, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31, 2017</u>	<u>Due Within</u> <u>One Year</u>
Capital lease	\$ 212,573	\$ -	\$ (69,303)	\$ 143,270	\$ 71,095
Compensated absences	<u>35,984</u>	<u>2,872</u>	<u>-</u>	<u>38,856</u>	<u>-</u>
Total	<u>\$ 248,557</u>	<u>\$ 2,872</u>	<u>\$ (69,303)</u>	<u>\$ 182,126</u>	<u>\$ 71,095</u>

The maturity schedule for the debt is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 71,095	\$ 3,735	\$ 74,830
2019	<u>72,175</u>	<u>1,894</u>	<u>74,069</u>
Total	<u>\$ 143,270</u>	<u>\$ 5,629</u>	<u>\$ 148,899</u>

NOTE 7 - PENSION PLANS

Plan Description: The District contributes to the Firefighters' Retirement System. The Plan is a cost-sharing, multiple-employer, defined-benefit pension plan. The Plan is administered by a board of trustees. The Plan provides retirement benefits, disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. Louisiana Revised Statutes 11:2551 et seq. grants the Board of Trustees the authority to establish and amend benefit provisions of the Plan.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 7 - PENSION PLANS (continued)

The retirement system issues publicly available financial reports that include financial statements and required supplementary information for the Plan. The financial reports may be obtained from:

Firefighters' Retirement System
Post Office Box 94095, Capital Station
Baton Rouge, Louisiana 70804-9095

Funding Policy: Plan members are required to contribute 10% of their annual covered salary, and the District is required to contribute at an actuarially determined rate. The District's rate is 27.25% of annual covered payroll as of December 31, 2017. The District's contribution to the Plan for the year ending December 31, 2017, was \$38,564.

NOTE 8 - PLAN DESCRIPTION AND BENEFITS

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the District reported a liability of \$365,875 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating cities, actuarially determined. At June 30, 2017, the District's proportion was .0638%.

For the year ended December 31, 2017, the District recognized pension expense of \$63,243, plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$4,741. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 20,404
Changes of assumptions	15,303	87
Net difference between projected and actual earnings on pension plan investments	31,476	-
Changes in proportion and differences between District contributions and proportionate share of contributions	19,487	6,467
District contributions subsequent to the measurement date	<u>19,747</u>	<u>-</u>
Total	<u>\$ 86,013</u>	<u>\$ 26,958</u>

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 8 - PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

\$19,747 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	17,435
2019		23,737
2020		9,772
2021		(10,927)
2022		(909)
Thereafter		(200)

Actuarial assumptions. The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2017
Actuarial cost method	Entry age normal cost
Estimated remaining service life	7 years, closed period
Investment rate of return	7.4% per annum (net of investment expenses, including inflation)
Inflation rate	2.775% per annum
Salary increase	Vary from 15.0% in the first two years of service to 4.75% after 25 or more years of service; includes inflation and merit increases
Cost-of-living adjustments	For the purpose of determining present value of benefits, cost-of-living adjustments were deemed not to be substantially automatic and only those previously granted were included.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity valued calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 8 - PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The estimated long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term geometric expected rate of return was 8.29% as of June 30, 2017. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2017, are summarized in the following table:

<u>Asset Type</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equity:		
U.S. equity	27.00%	6.15%
Non-U.S. equity	20.00%	7.45%
Global equity	10.00%	6.85%
Fixed Income:		
Fixed income	23.00%	2.04%
Alternatives:		
Real estate	6.00%	4.62%
Private equity	4.00%	8.73%
Multi-Asset Strategies:		
Global tactical asset allocation	5.00%	4.40%
Risk parity	5.00%	4.79%
	<u>100.00%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and nonemployer entities will be made at the actuarially determined rates approved by the Board of Trustees and PRSAC taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 8 - PLAN DESCRIPTION AND BENEFITS (continued)

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.40%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.40% or one percentage point higher 8.40% than the current rate.

	Changes in Discount Rate		
	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
	Net pension liability	\$ 525,749	\$ 365,875

NOTE 9 - RISK MANAGEMENT

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

SECTION III

ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL BUDGETARY BASIS) - GENERAL FUND**

YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes				
Ad valorem taxes	\$ 404,715	\$ 404,715	\$ 504,006	\$ 99,291
Sales tax	100,000	100,000	125,000	25,000
Intergovernmental revenue	3,200	3,200	3,642	442
Interest income	200	200	266	66
Other revenues	19,000	19,000	19,776	776
Total revenues	<u>\$ 527,115</u>	<u>\$ 527,115</u>	<u>\$ 652,690</u>	<u>\$ 125,575</u>
EXPENDITURES				
General government	\$ 201,500	\$ 201,500	\$ 192,833	\$ 8,667
Public safety - fire	245,000	245,000	246,455	(1,455)
Capital outlay	-	-	11,308	(11,308)
Debt service:				
Principal paid	71,973	71,973	69,303	2,670
Interest expense	5,527	5,527	5,527	-
Total expenditures	<u>\$ 524,000</u>	<u>\$ 524,000</u>	<u>\$ 525,426</u>	<u>\$ (1,426)</u>
Excess (deficiency) of revenues over expenditures	\$ 3,115	\$ 3,115	\$ 127,264	\$ 124,149
Fund balance, beginning of year	<u>18,717</u>	<u>18,717</u>	<u>18,717</u>	<u>-</u>
Fund balance, end of year	<u>\$ 21,832</u>	<u>\$ 21,832</u>	<u>\$ 145,981</u>	<u>\$ 124,149</u>

See Independent Auditor's Report.

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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2017

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the cash basis, and variances between the final budget and the actual data.

2. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund:

Net change in fund balance - budget basis Increase	\$ 127,264
Net adjustments for revenue accruals	(111,571)
Net adjustments for expenditure accruals	<u>22,133</u>
Net change in fund balance - GAAP basis	<u>\$ 37,826</u>

See Independent Auditor's Report.

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
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**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LOUISIANA FIREFIGHTERS' RETIREMENT SYSTEM**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	.065429%	.064716%	.063832%
District's proportionate share of the net pension liability (asset)	\$ 353,128	\$ 423,301	\$ 365,875
District's covered-employee payroll	\$ 142,800	\$ 149,040	\$ 149,040
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	247.29%	284.02%	247.29%
Plan fiduciary net position as a percentage of the total pension liability	72.45%	68.16%	73.55%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

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**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
LOUISIANA FIREFIGHTERS' RETIREMENT SYSTEM**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 45,012	\$ 39,123	\$ 38,564
Contributions in relation to the contractually required contribution	<u>(45,012)</u>	<u>(39,123)</u>	<u>(38,564)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 142,800	\$ 149,040	\$ 149,040
Contributions as a percentage of covered-employee payroll	31.52%	26.25%	25.88%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

SECTION IV
OTHER INFORMATION

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
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ST. JOSEPH, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Agency Head Name: Steve Hisaw, Chairman of Board

Benefits - per diem: \$ 210

**FIRE PROTECTION DISTRICT NO. 1
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SCHEDULE OF INSURANCE COVERAGE

FOR THE YEAR ENDED DECEMBER 31, 2017

Below is a listing of insurance policies in force as of December 31, 2017:

<u>Policy Type</u>	<u>Number</u>	<u>Company</u>	<u>Coverage</u>	<u>Expiration</u>
1. Commercial property	MEPK06782208	Arch		6/30/2018
Each occurrence - buildings			\$ 1,216,955	
Personal and advertising injury			\$ 58,192	
Flood - each building			\$ 1,000,000	
Employee theft			\$ 25,000	
2. Commercial liability umbrella	MEUM06806708	Arch		6/30/2018
Each occurrence limit			\$ 1,000,000	
Personal and advertising injury			\$ 1,000,000	
Automobiles			Various	
3. Blanket insurance	11VLF8139701	Arch	Various	6/30/2018

See Independent Auditor's Report.

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COMPENSATION OF THE GOVERNING BOARD

FOR THE YEAR ENDED DECEMBER 31, 2017

Commissioners:		
Steven Hisaw	\$	210
Theodore Jackson		-
Rick Foster		210
David R. Lee		<u>210</u>
Total	\$	<u>630</u>

See Independent Auditor's Report.

SECTION V

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE**



209 N. Commerce Street
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 Fax: 601.442.8551
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
 REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
 AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
 WITH GOVERNMENT AUDITING STANDARDS**

Members of the Board of Commissioners
 Fire Protection District No. 1 of Tensas Parish, Louisiana
 St. Joseph, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fire Protection District No. 1 of Tensas Parish, Louisiana, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Fire Protection District No. 1 of Tensas Parish, Louisiana's basic financial statements, and have issued our report thereon dated June 5, 2018.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings to be a material weakness. The deficiency is described as finding 2017-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fire Protection District No. 1 of Tensas Parish, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Fire Protection District No. 1 of Tensas Parish, Louisiana Response to Finding

Fire Protection District No. 1's response to the finding identified in our audit is described in the accompanying Schedule of Findings, Recommendations, and Corrective Action Plan. Fire Protection District No. 1's response was not subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended for the information and use of management of the Fire Protection District No. 1 of Tensas Parish, Louisiana; the Tensas Parish Police Jury; and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



Natchez, Mississippi
June 5, 2018

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

SCHEDULE OF FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2017

Section 1: Summary of Auditor's Report

- | | |
|--|-------------|
| 1. Type of auditor's report issued on the primary government financial statements: | |
| Governmental activities | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | Yes |
| b. Significant deficiency(s) identified that are not considered to be material weaknesses? | No |
| 3. Noncompliance material to the primary government financial statements? | No |

FIRE PROTECTION DISTRICT NO. 1
 OF TENSAS PARISH, LOUISIANA
 (A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
 ST. JOSEPH, LOUISIANA

STATUS OF PRIOR YEAR FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2016

Reference No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Section I – Internal Control and Compliance Not Material to the Financial Statements:				
2013-1	Numerous	We noted the District does not have adequate segregation of duties. One employee controls almost all financial transactions, including writing checks, compiling the general ledger, reconciling bank accounts, and co-signing checks. To increase internal controls, we recommend adequate segregation of duties. Due to the lack of segregation of duties, internal controls are weakened.	No	This is reported in 2017 as finding 2017-1. Management indicates that it is not cost efficient or feasible to increase the number of employees and had no plans to do so.

Section II – Internal Control and Compliance Material to Federal Awards:

None

Section III – Management Letter:

None

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION 2: FINANCIAL STATEMENT FINDINGS

Deficiencies Considered to be Material Weaknesses or Material Noncompliance

2017-1 Segregation of Duties (Internal Control Finding)

Condition: During our audit, we noted the District does not have an adequate number of personnel to properly segregate duties within the initiation, authorization, reconciliation, and review functions.

Criteria: It is recommended that no one person should have access to two or more of the cycles above.

Cause of Condition: The District does not have the financial resources to employ the number of individuals needed to properly segregate duties.

Effect of Condition: Material weakness in internal controls.

Recommendation: We do not believe that it would be cost effective for the District to hire the additional staff required to resolve this problem. We recommend that management continue to implement alternate procedures to help alleviate this condition. Also, we believe that the Board should be diligent in approving transactions and reviewing monthly financial information.

Response: Management will continue to implement alternate control procedures whenever feasible.

SECTION 3: FEDERAL AWARDS, FINDINGS, AND QUESTIONED COSTS

Not applicable

SECTION VI

APPLYING AGREED-UPON PROCEDURES



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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Fire Protection District No. 1 of Tensas Parish, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures attached, which were agreed to by the Fire Protection District No. 1 of Tensas Parish, Louisiana (the District) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2017. The District's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are included in the attachment following this report.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Silas Simmons, LLP

Natchez, Mississippi
June 5, 2018

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

SUPPLEMENTAL SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2017

Written Policies and Procedures

1. Procedures: Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the public bid law, and (5) documentation required to be maintained for all bids and price quotes.
 - c) *Disbursements*, including processing, reviewing, and approving.
 - d) *Receipts*, including receiving, recording, and preparing deposits.
 - e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
 - h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: We reviewed the written policies and procedures for the related functions listed above in the procedures.

Through our review, we were able to determine that the District did not have written policies and procedures for budgeting, purchasing, disbursements, receipts, contracting, credit cards and fuel cards, travel and expense reimbursements, payroll and personnel, and ethics.

Board (or Finance Committee, if applicable)

2. Procedures: Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.

Findings: We obtained a copy of the District's minutes for the fiscal period. We reviewed the minutes to determine whether the managing board met on a frequency in accordance with the board's enabling legislation, charter, or equivalent document. We reviewed the minutes to determine whether they referenced or included monthly budget-to-actual comparisons and non-budgetary information for at least one meeting during the fiscal period.

During the above procedures, we noted that budget-to-actual comparisons were not referenced in the minutes of the quarterly meetings.

Bank Reconciliations

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

Findings: We prepared a list of bank accounts from the list management gave for bank confirmations.

No exceptions were noted during the above procedures.

4. Procedures: Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
- a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

Findings: We selected the entity's only bank account and obtained the related bank statements and reconciliations for all months in the fiscal period. We reviewed the bank reconciliations to report whether they were prepared, included evidence that management or a board member had reviewed each statement, and included documentation that management has researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

No exceptions were noted during the above procedures.

Collections

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

Findings: We reviewed a listing of cash/check/money order collection locations and management's representation to determine that the listing is complete. The District has one cash collection location at the Central Station.

No exceptions were noted during the above procedures.

6. Procedures: Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than five locations). For each cash collection location selected:
- a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded; (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party); and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period.
 - d) Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - e) Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Findings: We performed testing for the process discussed in procedure 6. During testing, we were unable to obtain written documentation verifying whether the person who collected cash had no responsibilities for depositing cash in the bank, recording related transactions or reconciling bank statements; however, the Fire Chief was able to verbally communicate the process.

We were able to determine from inquiry of the Fire Chief that the entity has a formal process to reconcile collections to the general ledger and subsidiary ledgers by a person that was responsible for cash collections at the location. We selected the highest week of collections from the general ledger and traced collections to the deposit date on the bank statement to determine that the deposits were made within one day of collection. We also used deposit slips to verify that check collections were completely supported by documents.

During the procedure, we noted that the persons responsible for cash collections were able to record the transaction or reconcile the bank account.

7. Procedures: Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Findings: We reviewed written documentation to determine that the entity has a process specifically defined to determine completeness of collections for each revenue source by a person who is not responsible for collections.

During our review, we noted that there was no written documentation, but management was able to verbally communicate the process.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Procedures: Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Findings: We reviewed a management listing of entity disbursements from the general ledger and obtained management's representation that the listing was complete.

No exceptions were noted during the above procedures.

9. Procedures: Using the disbursement population from procedure 8, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-Card purchases or payments. Obtain supporting documentation (e.g., purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Findings: We obtained and reviewed documentation to determine that the Board approves all disbursements. There is no electronic system in place for the group, but they utilize paper purchase orders. We determined that the Board approves purchases before payment was processed and reviews invoices the month after with a check listing.

No exceptions were noted during the above procedures.

10. Procedures: Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Findings: We reviewed entity documentation to determine whether the party responsible for processing payment is prohibited from adding vendors to the entity's purchasing/disbursement system and there is no formal policy prohibiting anyone from adding vendors.

During our review of disbursements, we noted there is no written policy.

11. Procedures: Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Findings: We inquired of management regarding their practices in initiating and approving disbursements for the entity to determine that the Board approves all purchases and the firefighters initiate all purchases.

During our review, we noted there is not written documentation.

12. Procedures: Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Findings: We observed that the unused checks are kept in a locked cabinet in the Fire Chief's office with access limited to the Fire Chief and the firefighter/clerk.

During the procedure, we noted that the Fire Chief has signatory authority.

13. Procedures: If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Findings: We inquired of management to determine whether a signature stamp or signature machine was used. The entity does not use signature stamps.

No exceptions were noted during the above procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Procedures: Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-Cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Findings: We inquired of management and received a listing of all active credit cards, bank debit cards, fuel cards, and P-Cards, including the card numbers and the names of the persons who maintained possession of the cards. We also received representation from management that the listing was complete.

No exceptions were noted during the above procedures.

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

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Findings: We obtained the combined monthly statement for the cards used by the entity and the individual statements for each credit card and selected the month with the largest dollar activity for each statement. We reviewed the statement to determine whether there was evidence that it was reviewed and approved, in writing by someone other than the authorized card holder. We also reviewed the statement to determine whether finance charges and/or late fees were assessed on the statement.

No exceptions were noted during the above procedures.

16. Procedures: Using the monthly statements or combined statements selected under procedure 15, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or nonbusiness purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Findings: Using the combined monthly statement from procedure 15, we obtained supporting documentation for all transactions to determine whether there was an original itemized receipt, documentation of the business/public purpose, and other required written documentation. We reviewed the monthly statement to compare the transaction's detail to the Louisiana Public Bid Law. We also compared the entity's documentation of business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution.

No exceptions were noted during the above procedures.

Payroll and Personnel

17. Procedures: Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Findings: We obtained a listing of employees with their related salaries and randomly selected five of the District's thirteen employees to determine if compensation paid to them was in compliance with the terms of their employment contract. We also checked for any changes made to hourly pay rates/salaries during the fiscal period.

No exceptions were noted during the above procedures.

18. Procedures: Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Findings: We randomly selected five employees to determine if each selected employee documented their daily attendance and leave, whether there was written documentation, whether supervisors approved the attendance and leave of the selected employees/officials, and whether there was written documentation that the entity maintained written leave record on the selected employees.

No exceptions were noted during the above procedures.

19. Procedures: Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Findings: We inquired with management as to whether any employees/officials were terminated during the fiscal period. No termination payment was made during 2017.

No exceptions were noted during the above procedures.

20. Procedures: Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Findings: We inquired with management as to whether the entity participates in retirement plans. We reviewed remittances and cancelled checks to verify payroll taxes were remitted timely to appropriate agencies.

No exceptions were noted during the above procedures.

Ethics

21. Procedures: Using the selected employees/officials from procedure 17 under "Payroll and Personnel", obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Findings: We obtained the personnel files on the employees selected in procedure 17 from management to determine whether ethics training/compliance documentation was completed.

No exceptions were noted during the above procedures.

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

Findings: We inquired with management whether any alleged ethics violations were reported to the entity during the fiscal year.

No exceptions were noted during the above procedures.

Other

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

Findings: We inquired with management whether the entity had any misappropriations of public funds or assets. Per management, the entity was not aware of any misappropriations.

No exceptions were noted during the above procedures.

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

Findings: We observed the notice on the bulletin board in the lobby of the building.

No exceptions were noted during the above procedures.

25. Procedures: If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Findings: We did not observe or otherwise identify any exceptions regarding management's representations.

No exceptions were noted during the above procedures.

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

SCHEDULE OF EXCEPTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Reference No.</u>	<u>Description of Exception</u>
<u>Written Policies and Procedures:</u>	
Procedure 1	The entity did not have written policies for budgeting, purchasing, disbursements, receipts, contracting, credit cards and fuel cards, travel and expense reimbursements, payroll and personnel, and ethics. Management is working to put the policies into writing and update them.
<u>Board:</u>	
Procedure 2b	Budget-to-actual comparisons were not referenced in the minutes of the quarterly meetings.
<u>Collections:</u>	
Procedure 6	The persons responsible for cash collections were able to record the transaction or reconcile the bank account.
Procedure 7	There was no written documentation, but management was able to verbally communicate the process.
<u>Disbursements:</u>	
Procedure 11	There was no written documentation, but management was able to verbally communicate the policy.
Procedure 12	Unused checks are kept in a locked cabinet and locked in the Fire Chief's office with access limited to the Fire Chief and the firefighter/clerk. The Fire Chief has signatory authority.

Management Response

Management plans to address the above findings during fiscal year 2018.