

**LIVINGSTON PARISH FIRE PROTECTION DISTRICT No. 4  
WALKER, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
**Table of Contents**  
**As of and For the Year Ended December 31, 2018**

	<u>Exhibit</u>	<u>Schedule</u>	<u>Page</u>
Independent Auditor's Report	-	-	1 - 3
<b>Basic Financial Statements:</b>			
Statement of Net Position	A	-	5
Statement of Activities	B	-	6
Governmental Fund Balance Sheet	C	-	7
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position	D	-	8
Statement of Governmental Fund Revenues, Expenditures, Change in Fund Balance	E	-	9
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Change in Fund Balance to the Government-Wide Statement of Activities	F	-	10
Notes to Financial Statements	-	-	11 - 25
<b>Required Supplemental Information:</b>			
Budgetary Comparison Schedule - General Fund	-	1	27
Schedule of the District's Proportionate Share of the Net Pension Liability	-	2	28
Schedule of the District's Contributions	-	3	29
<b>Other Supplemental Information:</b>			
Schedule of Compensation, Benefits and Other Payments to Agency Head	-	4	31
<b>Other Independent Auditor's Report and Findings, Recommendations, and Responses:</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>	-	-	33 - 34
Schedule of Findings, Recommendations, and Responses	-	-	35
Summary Schedule of Prior Audit Findings	-	-	36

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Megan E. Lynch, CPA  
Christie J. Barado  
B. Jacob Steib  
Connor J. Collura  
Sharon B. Bravata  
Krystal L. Waddell  
Debbie G. Faust, EA



**JAMES  
LAMBERT RIGGS  
& ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS  
www.jlrcpafirm.com



## Independent Auditor's Report

To the Members of the Board of Commissioners of  
Livingston Parish Fire Protection District No. 4  
Walker, Louisiana

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

We have audited the accompanying financial statements of the governmental activities and the general fund of the Livingston Parish Fire Protection District No. 4, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Livingston Parish Fire Protection District No. 4'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 and general fund of Livingston Parish Fire Protection District No. 4, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that 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 27, 28, and 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.

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

*Other Information*

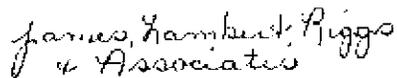
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required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

The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management and was derived from and relates 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Livingston Parish Fire Protection District No. 4  
June 12, 2019

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2019, on our consideration of the Livingston Parish Fire Protection District No. 4'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 solely 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 effectiveness of the Livingston Parish Fire Protection District No. 4's 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 Livingston Parish Fire Protection District No. 4's internal control over financial reporting and compliance.



James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

June 12, 2019

## **Basic Financial Statements**

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
**Statement of Net Position**  
**December 31, 2018**

Exhibit A

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,672,960
Investments	1,127,911
Taxes Receivable, Net	2,316,959
User Fee Receivable, Net	741,140
State Revenue Sharing Receivable	51,110
Other Receivables	112
Prepaid Insurance	41,282
Capital Assets Not Depreciated:	
Land	684,144
Construction In Progress	129,229
Capital Assets Being Depreciated, Net	<u>5,059,411</u>
<b>Total Assets</b>	<b><u>\$ 11,824,258</u></b>
<b>Deferred Outflows of Resources</b>	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 118,864
Changes in Assumptions	127,520
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	1,015,371
Contributions Subsequent to the Measurement Date	<u>117,227</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 1,378,982</u></b>
<b>Liabilities</b>	
Accounts Payable and Accrued Liabilities	\$ 445,214
Net Pension Liability	<u>1,827,982</u>
<b>Total Liabilities</b>	<b><u>\$ 2,273,196</u></b>
<b>Deferred Inflows of Resources</b>	
Differences Between Expected and Actual Experience	\$ 139,130
Changes in Assumptions	290
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	<u>2,037</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 141,457</u></b>
<b>Net Position</b>	
Net Investment in Capital Assets	\$ 5,872,784
Unrestricted	<u>4,915,803</u>
<b>Total Net Position</b>	<b><u>\$ 10,788,587</u></b>

The accompanying notes are an integral part of these financial statements.

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
**Statement of Activities**  
**For the Year Ended December 31, 2018**

Exhibit B

	<u>Governmental Activities</u>
<b>Expenses:</b>	
Public Safety - Fire Protection:	
Salaries & Related Benefits	\$ 2,101,608
Depreciation	459,906
Insurance	555,704
Collection Fees	217,413
Repairs & Maintenance	189,487
Fuel & Oil	75,210
Professional Fees	95,193
Supplies	72,010
Utilities	93,392
Bad Debts	44,981
Telephone	39,220
Maintenance Contracts	27,284
Miscellaneous	50,142
Office Supplies & Postage	15,205
Training	3,653
Dues & Subscriptions	8,847
Total Program Expenses	<u>4,049,255</u>
<b>Program Revenues:</b>	
Operating Grants	<u>-</u>
Total Program Revenues	<u>-</u>
Net Program (Expense) / Revenue	(4,049,255)
<b>General Revenues:</b>	
Ad Valorem Taxes	2,415,782
User Fees	767,154
Fire Insurance Rebate	199,562
State Revenue Sharing	154,741
On Behalf Payments - State Supplemental Pay	79,543
Flood Insurance Reimbursement	4,824
Other Revenues	98,167
Loss on Disposal of Capital Assets	(32,872)
Contributions from Non-Employer Contributing Entities	82,480
Total General Revenues	<u>3,769,381</u>
Change in Net Position	(279,874)
<b>Net Position - Beginning of Year</b>	<u>11,068,461</u>
<b>Net Position - End of Year</b>	<u><u>\$ 10,788,587</u></u>

The accompanying notes are an integral part of these financial statements.

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
Governmental Fund Balance Sheet  
December 31, 2018

Exhibit C

<b>Assets</b>	<u>General Fund</u>
Cash and Cash Equivalents	\$ 1,672,960
Investments	1,127,911
Taxes Receivable, Net	2,316,959
User Fee Receivable, Net	741,140
State Revenue Sharing Receivable	51,110
Other Receivables	<u>112</u>
<b>Total Assets</b>	<b>\$ <u>5,910,192</u></b>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities:</b>	
Accounts Payable	\$ 384,841
Accrued Liabilities	<u>60,373</u>
<b>Total Liabilities</b>	<b><u>445,214</u></b>
<b>Fund Balance:</b>	
Unassigned	<u>5,464,978</u>
<b>Total Fund Balance</b>	<b><u>5,464,978</u></b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>5,910,192</u></b>

The accompanying notes are an integral part of these financial statements.

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
Reconciliation of the Governmental Fund Balance Sheet to the  
Government-Wide Statement of Net Position  
December 31, 2018

Exhibit D

**Total Governmental Fund Balance (Exhibit C)** \$ 5,464,978

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

Prepaid insurance is not available to pay for current-period expenditures and, therefore, is not reported in the funds. 41,282

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 5,872,784

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in the governmental funds.

Net Pension Liability	(1,827,982)
Deferred Outflows of Resources	1,378,982
Deferred Inflows of Resources	<u>(141,457)</u>

**Net Position of Governmental Activities (Exhibit A)** \$ 10,788,587

The accompanying notes are an integral part of these financial statements.

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
Statement of Governmental Fund Revenues, Expenditures, and  
Change in Fund Balance  
For the Year Ended December 31, 2018

Exhibit E

	General Fund
<b>Revenues:</b>	
Ad Valorem Taxes	\$ 2,415,782
User Fees	767,154
Fire Insurance Rebate	199,562
State Revenue Sharing	154,741
On Behalf Payments - State Supplemental Pay	79,543
Interest	35,299
Other Revenues	36,109
Total Revenues	3,688,190
 <b>Expenditures:</b>	
Public Safety - Fire Protection:	
Salaries & Related Benefits	1,808,807
Insurance	555,704
Collection Fees	217,413
Repairs & Maintenance	189,487
Fuel & Oil	75,210
Professional Fees	95,193
Supplies	72,010
Utilities	93,392
Bad Debts	44,981
Telephone	39,220
Maintenance Contracts	27,284
Office Supplies & Postage	15,205
Training	3,653
Dues & Subscriptions	8,847
Miscellaneous	50,142
Capital Outlay	365,568
Total Expenditures	3,662,116
Excess of Revenues over Expenditures	26,074
 <b>Other Financing Sources:</b>	
Flood Insurance Reimbursements	31,583
Total Other Financing Sources	31,583
 Net Change in Fund Balance	 57,657
 <b>Fund Balance - Beginning of the Year</b>	 5,407,321
<b>Fund Balance - End of the Year</b>	<b>\$ 5,464,978</b>

The accompanying notes are an integral part of these financial statements.

**Livingston Parish Fire Protection District No. 4  
Walker, Louisiana**

Exhibit F

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and  
Change in Fund Balance to the Government-Wide Statement of Activities  
For the Year Ended December 31, 2018

**Net Change in Fund Balance, Governmental Fund (Exhibit E)** **\$ 57,657**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay	365,568
Depreciation Expense	(459,906)
Loss on Disposal of Capital Assets	(32,872)

Prepaid insurance is not recorded as an expense in the statement of net position, but requires the use of current financial resources and therefore is reported as an expenditure in the governmental fund. This amount represents the total change in prepaid insurance.

-

Annual changes in accrued leave are not recorded in the governmental funds. In the statement of activities, these changes are recorded against current year payroll expenses.

Change in Accrued Leave	5,955
-------------------------	-------

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related pension plans is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to charges in deferred outflows of resources and deferred inflows of resources are reflected in the statement of activities:

Net Change in Pension Expense	(298,756)
Contributions from Non-Employer Contributing Entities	<u>82,480</u>

**Change in Net Position of Governmental Activities (Exhibit B)** **\$ (279,874)**

The accompanying notes are an integral part of these financial statements.

**Livingston Parish Fire Protection District No. 4**

**Walker, Louisiana**

Notes to Financial Statements

For the Year Ended December 31, 2018

**Narrative Profile**

Livingston Parish Fire Protection District No. 4 (the "District") is a body corporate created by the Livingston Parish Council as provided by Louisiana Revised Statutes (LRS). The District is governed by a board of five commissioners: two are appointed by the Livingston Parish Council, one is appointed by the Mayor and Board of Alderman of the Village of Port Vincent, Louisiana, and one member is to be selected by the four appointed members. The District was created on March 22, 1975, for the purpose of providing fire protection and prevention to District Four of the Parish of Livingston.

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. These principles are found in the Codification of Governmental Accounting and Financial Reporting Standards. The accompanying financial statements have been prepared in accordance with such principles. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

**1. Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

Section 2100 of the GASB Codification, *Defining the Financial Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a component unit of the Livingston Parish Council. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

**B. Fund Accounting**

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

*Governmental Funds*

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

General Fund - the primary operating fund of the District, which accounts for all the operations of the District, except those required to be accounted for in other funds.

Livingston Parish Fire Protection District No. 4

Walker, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2018

C. Measurement Focus / Basis of Accounting

*Basic Financial Statements – Government-Wide Financial Statements*

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District with most of the interfund activities removed. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

The District does not allocate indirect expenses.

*Basic Financial Statements – Governmental Funds*

The amounts reflected in the General Fund 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 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 General Fund use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related liability is incurred, except for interest and principal payments on long-term debt, which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Taxes, state revenue sharing, grants, interest revenue, and other revenues are recorded when due.

**Livingston Parish Fire Protection District No. 4**

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2018

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

Reconciliation – Explanation of differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Exhibit D of the basic financial statements. Explanation of differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities is presented in Exhibit F of the basic financial statements.

**D. Budgets and Budgetary Accounting**

The District adopted an operating budget for its General Fund for the fiscal year ended December 31, 2018. The budget for this fund is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Fire Chief prepares a proposed budget and submits same to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal 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. Once a public hearing is held and all of the action necessary to finalize and implement the budget is completed, the budget is adopted through the passage of a resolution prior to the commencement of the fiscal year for which the budget is adopted.

The adopted budget constitutes the authority of the Fire Chief to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

**E. Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments for the District are reported at cost. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. The LAMP annual report can be found at the official LAMP website.

Livingston Parish Fire Protection District No. 4

Walker, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2018

F. Receivables and Payables

All trade and tax receivables are shown net of an allowance for uncollectible tax.

*Property Taxes*

For the year 2018, taxes of 10.00 mills were levied on property within the District's boundaries. Total taxes levied were \$2,413,499. At December 31, 2018, the ad valorem tax receivable was \$2,413,499. Ad valorem taxes receivable at December 31, 2018, are recorded net of a 4.0% allowance for uncollectible taxes (\$96,540).

*User Fees*

For the year 2018, a user fee of \$32 was assessed on each household within the District's boundaries. Total fees levied were \$772,021. At December 31, 2018, the user fee receivable was \$772,021. User fees receivable at December 31, 2018, are recorded net of a 4.0% allowance for uncollectible fees (\$30,881).

*State Revenue Sharing*

For the year 2018, the District received \$154,741 in Louisiana State Revenue Sharing. At December 31, 2018, state revenue sharing receivable totaled \$51,110. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide statements. Current year amounts relate to prepaid insurance costs.

H. Capital Assets

Capital assets are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value at the date of donation. At December 31, 2018, the District did not have a formal capitalization policy establishing a capitalization / expense threshold.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

I. Compensated Absences

At December 31, 2018, the District has no plan or provision for compensated absences, pension plan, or other post employment benefits. Vacation time cannot be accumulated and must be taken by the end of the year. There is no provision for leave carryover; therefore, leave accruals are not necessary.

Livingston Parish Fire Protection District No. 4

Walker, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2018

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Net Position

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

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any 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.
2. Restricted – this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

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

L. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for the specific purposes due to enabling legislation, State or Federal laws, or externally imposed by grantors, creditors, or citizens.
3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority).

**Livingston Parish Fire Protection District No. 4**

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2018

4. Assigned Fund Balance – amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned Fund Balance – all amounts not included in other spendable categories.

When fund balance resources are available for a specific purpose in multiple classifications, the District will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the District's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

As of December 31, 2018, the District did not have any nonspendable, committed, or assigned fund balances.

M. Estimates

The preparation of financial statements, in conformity with U.S. GAAP requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2. Stewardship, Compliance and Accountability**

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year-end. See Note 1-D regarding operating budgets. The District complied with the Louisiana Local Government Budget Act in adopting its budget for the year ended December 31, 2018. The District reported favorable variances in expenditures over appropriations for the fiscal year ended December 31, 2018.

B. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3 regarding cash and cash equivalents, the District complied with the deposits and investments laws and regulations.

C. Deficit Fund Equity

As of December 31, 2018, the District's general fund did not have a deficit fund equity.

**Livingston Parish Fire Protection District No. 4**

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2018

**3. Cash, Cash Equivalents, and Investments**

As reflected on Exhibit A, the District has cash and cash equivalents totaling \$1,672,960 and investments totaling \$1,127,911 at December 31, 2018. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged 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 following is a summary of cash and investments at December 31, 2018, with the related federal deposit insurance and pledge securities:

Bank Balances:	
Insured (FDIC Insurance)	\$ 250,000
Uninsured and Collateralized:	
Collateral held by pledging bank's trust department not in the District's name	1,436,127
Uninsured and Uncollateralized	<u>-</u>
Total Deposits	<u>\$ 1,686,127</u>

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of December 31, 2018, the District was in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

At December 31, 2018, the District's investment balances are as follows:

	Reported Amount	Fair Value
Louisiana Asset Management Pool:		
Operating Fund	\$ 1,020,391	\$ 1,020,391
Capital Outlay Fund	<u>107,520</u>	<u>107,520</u>
Total	<u>\$ 1,127,911</u>	<u>\$ 1,127,911</u>

Louisiana Asset Management Pool (LAMP) is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LRS 33:2955.

Livingston Parish Fire Protection District No. 4

Walker, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2018

GASB Statement No. 40, Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit Risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of Credit Risk: Pooled investments are excluded from the 5% disclosure requirement.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating / variable rate investments. The WAM for LAMP's total investments was 76 days as of December 31, 2018.
- Foreign Currency Risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

4. Receivables

Receivables represent revenues earned in 2018 and received in 2018 as follows:

Property Tax Receivable	\$ 2,413,499
User Fees Receivable	772,021
State Revenue Sharing Receivable	51,110
Other Receivable	112
Allowance for Uncollectible Tax	(127,421)
Receivables at December 31, 2018, Net	<u>\$ 3,109,321</u>

Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available that would indicate the uncollectibility of the particular receivable.

**Livingston Parish Fire Protection District No. 4**

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2018

**5. Capital Assets**

Capital assets and depreciation activity as of and for the year ended December 31, 2018, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ -	\$ 129,229	\$ -	\$ 129,229
Land	<u>684,144</u>	<u>-</u>	<u>-</u>	<u>684,144</u>
Total Capital Assets Not Being Depreciated	684,144	129,229	-	813,373
Other Capital Assets:				
Furniture & Fixtures	1,974,063	114,461	-	2,088,524
Buildings	3,274,860	16,889	-	3,291,749
Equipment / Vehicle	<u>5,182,382</u>	<u>104,989</u>	<u>87,014</u>	<u>5,200,357</u>
Total Other Capital Assets	10,431,305	236,339	87,014	10,580,630
Less Accumulated Depreciation:				
Furniture & Fixtures	(1,634,395)	(116,157)	-	(1,750,552)
Buildings	(709,184)	(85,843)	-	(795,027)
Equipment / Vehicle	<u>(2,771,876)</u>	<u>(257,906)</u>	<u>(54,142)</u>	<u>(2,975,640)</u>
Total Accumulated Depreciation	<u>(5,115,455)</u>	<u>(459,906)</u>	<u>(54,142)</u>	<u>(5,521,219)</u>
Total Other Capital Assets, Net	<u>5,315,850</u>	<u>(223,567)</u>	<u>32,872</u>	<u>5,059,411</u>
Total	<u>\$ 5,999,994</u>	<u>\$ (94,338)</u>	<u>\$ 32,872</u>	<u>\$ 5,872,784</u>

Depreciation expense for the year ended December 31, 2018, totaled \$459,906.

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 Building Improvements	10 - 40 Years
Furniture & Fixtures	5 - 10 Years
Vehicles	5 - 15 Years
Equipment	5 - 10 Years

**Livingston Parish Fire Protection District No. 4  
Walker, Louisiana**

Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2018

**6. Accounts Payable**

Accounts payables at December 31, 2018, are as follows:

Vendor and Other Payables	\$ 227,801
Tax Collector Fees Payable	92,058
Pension Fund Deduction Payable	94,669
User Fees Assessment Charges	30,686
Total	<u>\$ 445,214</u>

**7. Pension Plan – Firefighters’ Retirement System of Louisiana**

***General Information about the Pension Plan***

Plan Description – Employees of the District are eligible for participation in the Firefighters’ Retirement System of Louisiana (the “Fire System”) – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 434 of the 1979 Regular Session of the Louisiana Legislature. The Fire System issues a publicly available financial report that can be obtained at [www.lafirefightersret.com/finance.html](http://www.lafirefightersret.com/finance.html). The report may also be obtained by writing to the Firefighters’ Retirement System, 3100 Brentwood Drive, Baton Rouge, LA 70809, or by calling (225) 925-4060.

Benefits Provided – Any person who becomes an employee as defined in LRS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System. Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Deferred Retirement Option Plan – After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account of an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option Plan – Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

**Livingston Parish Fire Protection District No. 4  
Walker, Louisiana**

Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2018

Contributions – Per Act 434 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year. Employees are required to contribute 10% of their annual pay. The District’s contractually required contribution rate for the year ended December 31, 2018, was 26.50% for the period January 2018 through June 2018 and 26.50% for the period July 2018 through December 2018. Contributions to the Fire System from the District were \$221,764 for the year ended December 31, 2018.

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

At December 31, 2018, the District reported a liability of \$1,827,982 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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 December 31, 2018, contributions to the pension plan, relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District’s proportion was 0.317795%, which was an increase of 0.114457% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the District recognized pension expense of \$298,756. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 139,130
Changes of Assumptions	127,520	290
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	118,864	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	1,015,371	2,037
District Contributions Subsequent to the Measurement Date	117,227	-
	\$ 1,378,982	\$ 141,457

\$117,227 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 December 31, 2018. 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:	
December 31, 2019	312,294
December 31, 2020	242,765
December 31, 2021	138,655
December 31, 2022	187,309
December 31, 2023	153,544
Thereafter	87,768

**Livingston Parish Fire Protection District No. 4**

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2018

Actuarial Assumptions – The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	7.3% per annum (net of fees)
Estimated Remaining Service Life	7 Years
Inflation	2.700% per annum
Salary Increases	Vary from 15.0% in the first two years of service to 4.75% after 25 years
Cost of Living Adjustments	Only those previously granted

Mortality rates were based on the RP-2000 Employee Table for active members, the RP-2000 Healthy Annuitant Table for healthy annuitants, and the RP-2000 Disabled Lives Mortality Tables for disabled annuitants for Males or Females, as appropriate.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class 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	22.00%	6.14%
	Non-U.S. Equity	22.00%	7.46%
	Global Equity	10.00%	6.74%
Fixed Income	Fixed Income	26.00%	1.76%
Alternatives	Real Estate	6.00%	4.38%
	Private Equity	4.00%	8.73%
	Global Tactical		
Multi-Asset Strategies	Asset Allocation	5.00%	4.31%
	Risk Parity	5.00%	4.89%

Discount Rate – The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and PRSAC taking into consideration the recommendation of the Fire System’s actuary. Based on those

**Livingston Parish Fire Protection District No. 4**

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2018

assumptions, the Fire 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.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

– The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.30%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.30%) or one percentage-point higher (8.30%) than the current rate:

	1.0% Decrease (6.3%)	Current Discount Rate (7.3%)	1.0% Increase (8.3%)
District's Proportionate Share of the Net Pension Liability	\$ 2,667,457	\$ 1,827,982	\$ 1,122,533

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire System financial report.

Payables to the Pension Plan – As of December 31, 2018, the District had payables totaling \$24,468 due to the System, which represents the employee and employer's share of the December 2018 contributions.

**8. Deferred Compensation Plan**

The District offers employees a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code (IRC) of 1986. The assets of the plan are held in trust as described in IRC 457 (g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of the plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. Plan balances and activities are not reflected in the District's financial statements.

The District's total contributions made to the plan were \$0 for the year ended December 31, 2018.

**Livingston Parish Fire Protection District No. 4**

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2018

**9. Tax Abatement Program**

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. For the District, there are currently abatements related to five (5) companies under the Louisiana ITEP. For the 2018 calendar year, estimated forgone ad valorem taxes due to this abatement program was \$18,189 for the District.

**10. On-Behalf Payments**

Supplementary salary payments are made by the State of Louisiana directly to certain District employees. The District is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is actual contributions made by the State. For the fiscal year ended December 31, 2018, the State paid supplemental salaries to the District's employees in the amount of \$79,543.

**11. Compensation Paid to Board Members**

The following schedule of per diem payments to Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by LRS 40:1498, each member of the Board shall be reimbursed \$30 for attending meetings of the board, not to exceed two meetings in any one calendar month, and may be reimbursed any expenses incurred in performing the duties imposed upon them by virtue of their serving as members. The following is a breakdown of per diem paid to Board members:

Robert Dugas, Chairman	\$	-
Jeffrey S. Easley, Vice-Chairman		270
Darren L. Blevins, Board Member		180
Leslie A. Falks, Board Member		330
Joseph Blanchard, Board Member		270
Total	\$	<u>1,050</u>

**12. Contingent Liabilities**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage. Therefore, no accrual for any loss contingency has been made in the financial statements.

**Livingston Parish Fire Protection District No. 4**

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2018

**13. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued June 12, 2019, and determined that no events occurred that require disclosure.

**Required Supplemental Information**

**Livingston Parish Fire Protection District No. 4**

Schedule 1

**Walker, Louisiana**

Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 2,150,000	\$ 2,286,000	\$ 2,415,782	\$ 129,782
User Fees	720,000	747,285	767,154	19,869
Fire Insurance Rebate	220,000	199,562	199,562	-
State Revenue Sharing	140,000	153,331	154,741	1,410
On Behalf Payments	78,000	81,797	79,543	(2,254)
Interest	15,000	31,900	35,299	3,399
Other Revenues	40,100	36,014	36,109	95
Total Revenues	<u>3,363,100</u>	<u>3,535,889</u>	<u>3,688,190</u>	<u>152,301</u>
<b>Expenditures:</b>				
Public Safety - Fire Protection:				
Salaries & Related Benefits	1,878,750	1,840,580	1,808,807	31,773
Insurance	498,173	580,780	555,704	25,076
Collection Fees	210,000	210,586	217,413	(6,827)
Repairs & Maintenance	212,600	187,674	189,487	(1,813)
Fuel & Oil	71,600	78,170	75,210	2,960
Professional Fees	130,000	104,820	95,193	9,627
Supplies	95,500	67,100	72,010	(4,910)
Utilities	101,000	100,359	93,392	6,967
Bad Debts	-	-	44,981	(44,981)
Telephone	48,000	38,713	39,220	(507)
Maintenance Contracts	32,500	26,000	27,284	(1,284)
Office Supplies & Postage	21,250	17,420	15,205	2,215
Training	14,000	5,500	3,653	1,847
Dues & Subscriptions	13,500	8,900	8,847	53
Miscellaneous	36,050	50,961	50,142	819
Capital Outlay	1,060,000	252,200	365,568	(113,368)
Total Expenditures	<u>4,422,923</u>	<u>3,569,763</u>	<u>3,662,116</u>	<u>(92,353)</u>
Excess of Revenues over Expenditures	(1,059,823)	(33,874)	26,074	59,948
<b>Other Financing Sources:</b>				
FEMA Reimbursement	-	31,583	31,583	-
Net Change in Fund Balances	<u>(1,059,823)</u>	<u>(2,291)</u>	<u>57,657</u>	<u>59,948</u>
<b>Fund Balance:</b>				
Beginning of the Year	5,407,321	5,407,321	5,407,321	-
End of the Year	<u>\$ 4,347,498</u>	<u>\$ 5,405,030</u>	<u>\$ 5,464,978</u>	<u>\$ 59,948</u>

See independent auditor's report.

**Livingston Parish Fire Protection District No. 4  
Walker, Louisiana**

Schedule 2

Schedule of the District's Proportionate Share of the Net Pension Liability  
For the Year Ended December 31, 2018

<u>Fiscal Year*</u>	<u>District's Proportion of the Net Pension Liability</u>	<u>District's Proportionate Share of the Net Pension Liability</u>	<u>District's Covered Employee Payroll</u>	<u>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2018	0.317795%	\$ 1,827,982	\$ 836,844	218.44%	74.76%
2017	0.203338%	\$ 1,165,503	\$ 646,606	180.25%	73.55%
2016	0.120076%	\$ 785,406	\$ 263,026	298.60%	68.16%
2015	0.080755%	\$ 435,844	\$ 171,619	253.96%	72.45%
2014	0.066509%	\$ 295,959	\$ 123,451	239.74%	76.02%

\* The amounts presented for each fiscal year were determined as of June 30 of that year

See independent auditor's report.

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
 Schedule of the District's Contributions  
 For the Year Ended December 31, 2018

Schedule 3

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency / (Excess)	District's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2018	\$ 221,764	\$ 221,764	\$ -	\$ 836,844	26.50%
2017	\$ 167,779	\$ 167,779	\$ -	\$ 646,606	25.95%
2016	\$ 71,674	\$ 71,674	\$ -	\$ 263,026	27.25%
2015	\$ 50,199	\$ 50,199	\$ -	\$ 171,619	29.25%
2014	\$ 33,654	\$ 33,654	\$ -	\$ 123,451	27.26%

\* The amounts presented for each fiscal year were determined as of June 30 of that year

See independent auditor's report.

## **Other Supplemental Information**

Livingston Parish Fire Protection District No. 4

Schedule 4

Walker, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head

For the Year Ended December 31, 2018

Agency Head: James Wascom, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 108,219
Benefits - Insurance	24,983
Benefits - Retirement	27,175
Deferred Compensation	6,000
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 166,376</u>

See independent auditor's report.

**Other Independent Auditor's Report and  
Findings, Recommendations, and Responses**

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Megan E. Lynch, CPA  
Christie J. Barado  
B. Jacob Steib  
Connor J. Collura  
Sharon B. Bravata  
Krystal L. Waddell  
Debbie G. Faust, EA



**JAMES  
LAMBERT RIGGS  
& ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS  
www.jlrcpafirm.com



Member of  
American Institute of CPAs  
Society of Louisiana CPAs

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 Members of the Board of Commissioners of  
Livingston Parish Fire Protection District No. 4  
Walker, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Livingston Parish Fire Protection District No. 4, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Livingston Parish Fire Protection District No. 4's basic financial statements, and have issued our report thereon dated June 12, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Livingston Parish Fire Protection District No. 4'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 Livingston Parish Fire Protection District No. 4's internal control. Accordingly, we do not express an opinion on the effectiveness of Livingston Parish Fire Protection District No. 4's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

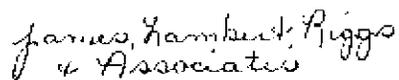
As part of obtaining reasonable assurance about whether Livingston Parish Fire Protection District No. 4's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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

Livingston Parish Fire Protection District No. 4  
June 12, 2018

disclosed no instances of noncompliance or other matters 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.

Handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

June 12, 2019

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
 Schedule of Findings, Recommendations, and Responses  
 For the Year Ended December 31, 2018

We have audited, 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, the financial statements of the governmental activities and the general fund of the Livingston Parish Fire Protection District No. 4 as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 12, 2019. Our audit of the basic financial statements resulted in an unmodified opinion.

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

**1. Report on Internal Control and Compliance Material to the Financial Statements**

**Internal Control:**

Material Weakness	___	Yes	_X_	No
Significant Deficiencies	___	Yes	_X_	No

**Compliance:**

Compliance Material to the Financial Statements	___	Yes	_X_	No
---	-----	-----	-----	----

**2. Management Letter**

Was a management letter issued?	___	Yes	_X_	No
---------------------------------	-----	-----	-----	----

**Section II Financial Statement Findings**

**Internal Control over Financial Reporting**

None

**Compliance and Other Matters**

None

Livingston Parish Fire Protection District No. 4

Walker, Louisiana

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2018

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>
--------------	--	--------------------------------	--------------------------------

**Internal Control over Financial Reporting**

None

**Compliance and Other Matters**

None

*Note: This schedule has been prepared by management of the Livingston Parish Fire Protection District No. 4.*

**LIVINGSTON PARISH FIRE PROTECTION DISTRICT NO. 4**  
**STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Megan E. Lynch, CPA  
Christie J. Barado  
B. Jacob Steib  
Connor J. Collura  
Sharon B. Bravata  
Krystal L. Waddell  
Debbie G. Faust, EA



**JAMES  
LAMBERT RIGGS  
& ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS  
www.jlrcpafirm.com



Member of  
American Institute of CPAs  
Society of Louisiana CPAs

## Independent Accountants' Report on Applying Agreed-Upon Procedures

Mr. James Wascom, Fire Chief  
and the Members of the Board of Commissioners of  
Livingston Parish Fire Protection District No. 4  
Walker, Louisiana

Louisiana Legislative Auditor  
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by Livingston Fire Protection District No. 4 and the Louisiana Legislative Auditor on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures ("SAUPs") of Livingston Parish Fire Protection District No. 4 for the period January 1, 2018 through December 31, 2018. The Livingston Fire Protection District No. 4's management is responsible for those control and compliance areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of Livingston Fire Protection District No. 4 and the Louisiana Legislative Auditor. 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.

Our procedures and findings are detailed in Schedule "A".

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information and use of Livingston Fire Protection District No. 4 and the Louisiana Legislative Auditor and is not intended to be and should be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*James Lambert Riggs  
& Associates*

James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

June 12, 2019

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Results: The District's policy included the above requirements. No exceptions were noted.

- 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.

Results: The District's policy included the above requirements. No exceptions were noted.

- c) **Disbursements**, including processing, reviewing, and approving

Results: The District's policy included the above requirements. No exceptions were noted.

- a) **Receipts / Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).

Results: The District's policy included the above requirements. No exceptions were noted.

- d) **Payroll / Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked

Results: The District's policy included the above requirements. No exceptions were noted.

- e) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Results: The District's policy included the above requirements. No exceptions were noted.

- b) **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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Results: The District's policy included the above requirements. No exceptions were noted.

- f) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Results: The District's policy included the above requirements. No exceptions were noted.

- g) **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.

**Results:** The District's policy included the above requirements. No exceptions were noted.

- h) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

**Results:** The District's policy included the above requirements. No exceptions were noted.

### Bank Reconciliations

2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

**Results:** No exceptions were noted to the above listed procedure

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

**Results:** No exceptions were noted to the above listed procedure.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

**Results:** One bank account selected had outstanding items over 12 months from the statement closing date; however, the District has documentation reflecting that it has researched these outstanding items.

### Collections

3. Obtain a listing of deposit sites for the fiscal period where deposits for cash / checks / money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Results:** Management provided us with the required listing of cash collection locations as well as management's representation that the listing is complete.

4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers / registers.

**Results:** Both employees that collect cash do not share cash drawers.

- b) Each employee responsible for collecting cash is not responsible for preparing / making bank deposits unless another employee / official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

**Results:** One of the two people responsible for collecting cash is responsible for preparing the deposit. Another employee / official reviews the deposit information and makes the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.

**Results:** One of the two employees responsible for collecting cash is responsible for posting collection entries to the general ledger and another employee / official does not reconcile the general ledger postings to the deposit.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

**Results:** Each employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash, unless another employee verifies the reconciliation. No exceptions were noted.

5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**Results:** The entity has an insurance policy for theft that covers all employees.

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

**Results:** No exceptions were noted to the above listed procedure.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Results:** No exceptions were noted to the above listed procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

**Results:** No exceptions were noted to the above listed procedure.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**Results:** No exceptions were noted to the above listed procedure.

- e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** No exceptions were noted to the above listed procedure.

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

7. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Results:** Management provided us with the required listing of disbursements as well as management's representation that the listing is complete.

8. For each location selected under #7 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order / making the purchase.

**Results:** Two employees are involved in initiating a purchase request, approving a purchase and placing an order / making the purchase. No exceptions were noted to the above listed procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

**Results:** Two employees are involved in processing and approving payments to vendors. No exceptions were noted.

- c) The employee responsible for processing payments is prohibited from adding / modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**Results:** No exceptions were noted to the above listed procedure.

- d) Either the employee / official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results:** No exceptions were noted to the above listed procedure.

9. For each location selected under #7 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice / billing statement.

**Results:** For the five randomly selected disbursements all matched the related original invoice / billing statement.

- b) Observe that the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #8, as applicable.

**Results:** No exceptions were noted to the above listed procedure.

James T. Wascom  
Fire Chief  
Phone (225) 664-7123  
Fax (225) 664-6660



9760 Florida Blvd  
Walker, Louisiana 70785

<http://www.lfpd4.com>

June 12, 2019

Re: AUP Management Response for deposits

A Livingston Parish Fire Protection District 4 Fire Records Clerk will collect the cash/check and fill out a deposit slip that corresponds with the cash/check collected. Chief Wascom then brings the deposit and deposit book to Livingston Parish Fire Protection District 4's bank. Once Chief Wascom returns, a Fire Records Clerk will then enter the deposit into QuickBooks and also print the QuickBooks entry and return it to Chief Wascom. Chief Wascom will confirm the QuickBook entry corresponds with the deposit confirmation.

Sincerely,

James T. Wascom  
Fire Chief  
Livingston Parish  
Fire Protection District 4