

LIVINGSTON PARISH FIRE PROTECTION DISTRICT NO.7  
LIVINGSTON, LOUISIANA

---

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2018



PHIL HEBERT  
CERTIFIED PUBLIC ACCOUNTANT  
A PROFESSIONAL ACCOUNTING CORPORATION

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
Table of Contents  
As of and for the Year Ended December 31, 2018

	Exhibit	Page
Independent Accountant's Review Report	-	1
Basic Financial Statements:		
Statement of Net Position	A	5
Statement of Activities	B	6
Governmental Funds Balance Sheet	C	7
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	D	8
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	E	9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	F	10
Notes to the Financial Statements	-	11 - 20
Required Supplemental Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	-	22
Other Supplemental Information:		
Schedule of Compensation, Benefits, and Other Payments to Agency Head	-	24
Other Independent Accountant's Report		
Independent Accountant's Report on Applying Agreed-Upon Procedures	-	26
Schedule of Current Year Findings and Recommendations	-	30
Louisiana Attestation Questionnaire	-	31

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

MEMBER

American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants



18435 HWY. 22  
P.O. BOX 1151  
PONCHATOULA, LA 70454  
(985) 386-5740 • FAX (985) 386-5742

29644 SOUTH MONTEPELIER AVE., STE. B  
P.O. BOX 520  
ALBANY, LA 70711  
(225) 209-6627 • FAX (225) 209-6625

## Phil Hebert, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

### Independent Accountant's Review Report

To the Board of Commissioners  
Livingston Parish Fire Protection District No. 7  
Livingston, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of Livingston Parish Fire Protection District No. 7, 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 District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### Management'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.

#### Accountant's Responsibility

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

#### Accountant's Conclusion

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

#### Other Matter Paragraph(s)

##### *Supplementary Information*

The accompanying schedule of compensation, benefits, and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the

responsibility of management and was derived from, and relates to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison on page 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information, and we do not express an opinion, a conclusion, nor provide any assurance on it.

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

Respectfully submitted,

*Phil Hebert*

Phil Hebert CPA  
A Professional Accounting Corporation  
Albany, Louisiana  
June 20, 2019

This page intentionally left blank.

## **Basic Financial Statements**

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
Statement of Net Position  
December 31, 2018

**Exhibit A**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 35,403
Receivables:	
Ad Valorem Tax	95,148
User Fee	41,600
State Revenue Sharing	5,858
Allowance for Uncollectible Taxes	(2,800)
Land	45,872
Construction in Progress	44,936
Capital Assets, Net of Related Depreciation	<u>114,638</u>
Total Assets	<u>\$ 380,655</u>
<b>Liabilities</b>	
Accounts Payable and Accrued Expenses	\$ 3,798
Deductions from Ad Valorem Taxes Payable	8,759
Capital Lease Obligation:	
Short-Term	28,498
Long-Term	<u>30,445</u>
Total Liabilities	<u>\$ 71,500</u>
<b>Net Position</b>	
Net Investment in Capital Assets	\$ 146,503
Unrestricted	<u>162,652</u>
Total Net Position	<u>\$ 309,155</u>

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 7**

**Exhibit B**

**Livingston, Louisiana**

Statement of Activities

For the Year Ended December 31, 2018

	<u>General Expenses</u>	<u>Program Revenues</u>	Net (Expense) and Changes in Net Assets
		<u>Charges for Services</u>	<u>Governmental Activities</u>
<b>Governmental Activities:</b>			
Public Safety	\$ 111,689	\$ -	\$ (111,689)
Debt Service Interest	1,893	-	(1,893)
Depreciation Expense	41,668	-	(41,668)
Total Governmental Activities	<u>\$ 155,250</u>	<u>\$ -</u>	<u>(155,250)</u>
<b>General Revenues:</b>			
Ad Valorem Taxes			95,148
Fire Insurance Premium Rebate			24,951
User Fee			41,600
State Revenue Sharing			5,858
FEMA Reimbursement			1,106
Other Income			8,288
Total General Revenues			<u>176,951</u>
Change in Net Position			21,701
<b>Net Position - Beginning of the Year</b>			<u>287,454</u>
<b>Net Position - End of the Year</b>			<u>\$ 309,155</u>

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
 Governmental Fund Balance Sheet  
 For the Year Ended December 31, 2018

**Exhibit C**

	<u>General Fund</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 35,403
Receivables:	
Ad Valorem Tax	95,148
User Fee	41,600
State Revenue Sharing	5,858
Allowance for Uncollectible Taxes	<u>(2,800)</u>
 Total Assets	 <u>\$ 175,209</u>
<b>Liabilities and Fund Balance</b>	
Liabilities:	
Accounts Payable and Accrued Expenses	\$ 3,798
Deductions from Ad Valorem Taxes Payable	<u>8,759</u>
Total Liabilities	12,557
 Fund Balance:	
Unassigned	<u>162,652</u>
Total Fund Balance	<u>162,652</u>
 Total Liabilities and Fund Balance	 <u>\$ 175,209</u>

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
Reconciliation of the Governmental Fund Balance Sheet to the  
Government-Wide Statement of Net Position  
For the Year Ended December 31, 2018

**Exhibit D**

<b>Total Fund Balances, Governmental Fund (Exhibit C)</b>	\$ 162,652
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:</p>	
Governmental Capital Assets, Net of Depreciation	205,446
<p>Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:</p>	
Capital Lease Obligations - Short-Term	(19,243)
Capital Lease Obligations - Long-Term	<u>(39,700)</u>
<b>Net Position of Governmental Activities (Exhibit A)</b>	<u>\$ 309,155</u>

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
Statement of Governmental Fund Revenues, Expenditures, and  
Changes in Fund Balance  
For the Year Ended December 31, 2018

**Exhibit E**

	<u>General Fund</u>
<b>Revenues:</b>	
Ad Valorem Taxes	\$ 95,148
Fire Insurance Premium Rebate	24,951
User Fee	41,600
State Revenue Sharing	5,858
FEMA Reimbursement	1,106
Other Income	8,288
Total Revenues	176,951
<b>Expenditures:</b>	
Public Safety:	
Bad Debts	300
Fire Prevention	1,542
Insurance	25,572
Miscellaneous	2,115
Payroll Expenses	13,127
Pension & Collection Fees	8,759
Professional Fees	4,170
Repairs and Maintenance	15,357
Station Maintenance	4,012
Supplies & Small Equipment	5,443
Telephone & Utilities	9,462
Uniforms & Gear	6,466
Vehicle Expenses	15,364
Capital Outlay	83,112
Debt Service:	
Lease Principal Payments	29,435
Interest	1,893
Total Expenditures	226,129
Excess (Deficiency) of Revenues over Expenditures	(49,178)
<b>Other Financing Sources:</b>	
Proceeds from Capital Lease	50,000
Total Other Financing Sources	50,000
Net Change in Fund Balance	822
<b>Fund Balance - Beginning of the Year</b>	161,830
<b>Fund Balance - End of the Year</b>	\$ 162,652

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 7**

**Exhibit F**

**Livingston, Louisiana**

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

**Net Change in Fund Balances, Governmental Fund (Exhibit E)** \$ 822

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	83,112
Depreciation Expense	(41,668)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds because:

Lease proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Payment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments:

Proceeds	(50,000)
Repayments	<u>29,435</u>

**Change in Net Position of Governmental Activities (Exhibit B)** \$ 21,701

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 7**

**Livingston, Louisiana**

Notes to the Financial Statements

For the Year Ended December 31, 2018

**Narrative Profile**

Livingston Parish Fire Protection District No 7 (the "District") was created by an ordinance of the Livingston Parish Council (the "Council") for the purpose of acquiring, maintaining, and operating buildings, machinery, water tanks, water hydrants, water lines, and any other things necessary to provide proper fire prevention and control of the property within the District. The District operates under the direction of a five-member board appointed by the Council.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute (LRS) 24:513 and to the guidelines set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

**1. Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

All board members of the District are appointed by the Council. As the governing authority of Livingston Parish, for reporting purposes the Council is the financial reporting entity for Livingston Parish. The financial reporting entity consists of (a) primary government (Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete. Because the board members of the District are appointed by the Council, the District was determined to be a component unit of the Council.

The accompanying basic financial statements present information only on the fund maintained by the District and do not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**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.

**Livingston Parish Fire Protection District No. 7**

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2018

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.

C. Measurement Focus and Basis of Accounting and Financial Statement Presentation

*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.

**Livingston Parish Fire Protection District No. 7**

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2018

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. Ad valorem tax revenue, state revenue sharing revenue, and interest revenue are recorded when due. Substantially all other revenues are recorded when received.

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**

Budgetary procedures applicable to the District are defined in State law, LRS 39:1301-1315. 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 cash basis of accounting. The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Chairman prepares a proposed budget and submits it to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal. The proposed expenditures were less than \$500,000, therefore, a public hearing was not required.
2. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on February 12, 2018, and amended on October 15, 2018.
3. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.
4. Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting. All budgets are presented on the cash basis of accounting. Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with a basis consistent with the legally adopted budgets, as amended. The amounts are reconciled to the amounts reflected in the accompanying basic financial statements as follows:

Net Change in Fund Balance (Exhibit E)	\$ 822
Add: Prior Year Receivables	99,626
Current Year Payables	12,557
Non-Cash Expenses	300
Less: Current Year Receivables	142,606
Prior Year Payables	11,833
Net Change in Budgetary Fund Balance (Schedule 1)	<u>\$ (41,134)</u>

Actual Expenditures exceeded budgeted expenditures by \$1,520. This did not result in a budget violation.

**Livingston Parish Fire Protection District No. 7**

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2018

E. Cash, Cash Equivalents, 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. The District has not formally adopted deposit and investment policies that limit the government's allowable deposits or investments and addresses the specific types of risk to which the government is exposed.

Investments for the District are stated at cost.

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 \$95,148. At December 31, 2018, the ad valorem tax receivable was \$95,148. Ad valorem taxes receivable at December 31, 2018, are recorded net of a 2.0% allowance for uncollectible taxes (\$1,900).

*User Fees*

For the year 2018, a user fee of \$32 was assessed on each household within the District's boundaries. Total user fees levied were \$41,600. At December 31, 2018, the user fee receivable was \$41,600. User fees receivable at December 31, 2018, are recorded net of a 2.0% allowance for uncollectible fees (\$900).

*State Revenue Sharing*

For the year 2018, the District received \$5,858 in Louisiana State Revenue Sharing. At December 31, 2018, state revenue sharing receivable totaled \$5,858. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing.

G. Allowance for Uncollectible Accounts

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.

H. Inventory

Inventories for supplies are immaterial and are recorded as expenditures / expenses when purchased.

**Livingston Parish Fire Protection District No. 7**

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2018

I. Prepaid Items

The District recognizes expenditures for insurance and similar services extending over more than one accounting period when paid.

J. 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.

K. Pension Plans

The District is not a member of any retirement system, but is a member of the social security system.

L. 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.

M. Compensated Absences

The District does not pay for vacation or sick leave, and, as a result, has no liability for compensated absences at December 31, 2018.

**Livingston Parish Fire Protection District No. 7**

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2018

N. Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. 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.

O. 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 specific purposes due to enabling legislation, State or Federal laws, or externally imposed conditions 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).
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, restricted, committed, or assigned fund balances.

**Livingston Parish Fire Protection District No. 7**

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2018

P. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect 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 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.

**3. Cash and Cash Equivalents**

As reflected on Statement A, the District has cash and cash equivalents totaling \$35,403 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 pledged 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 cash equivalents at December 31, 2018, with the related federal deposit insurance and pledged securities.

Bank Balances:	
Insured (FDIC Insurance)	\$ 35,403
Uninsured and Uncollateralized	-
Total Deposits	<u>\$ 35,403</u>

Under LRS 39:1229, deposits 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 fiscal agent. The custodial bank must advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay

**Livingston Parish Fire Protection District No. 7**

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2018

deposited funds upon demand. 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 the pledge of securities.

**4. Capital Assets**

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

	<u>Balance</u> <u>12/31/17</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/18</u>
Capital Assets Not Depreciated:				
Land	\$ 45,872	\$ -	\$ -	\$ 45,872
Construction in Progress	-	44,936	-	44,936
Total Capital Assets Not Depreciated	<u>45,872</u>	<u>44,936</u>	<u>-</u>	<u>90,808</u>
Other Capital Assets:				
Buildings	50,000	-	-	50,000
Equipment / Vehicles	1,004,421	31,789	-	1,036,210
Infrastructure	26,809	6,387	-	33,196
Total Other Capital Assets	<u>1,081,230</u>	<u>38,176</u>	<u>-</u>	<u>1,119,406</u>
Less Accumulated Depreciation:				
Buildings	31,947	1,229	-	33,176
Equipment / Vehicles	912,118	38,208	-	950,326
Infrastructure	19,035	2,231	-	21,266
Total Accumulated Depreciation	<u>963,100</u>	<u>41,668</u>	<u>-</u>	<u>1,004,768</u>
Other Capital Assets, Net	<u>118,130</u>	<u>(3,492)</u>	<u>-</u>	<u>114,638</u>
Totals	<u>\$ 164,002</u>	<u>\$ 41,444</u>	<u>\$ -</u>	<u>\$ 205,446</u>

Depreciation expense for the year ended December 31, 2018, totaled \$41,668.

Capital assets are stated at cost, less an allowance for accumulated depreciation. Depreciation expense is computed using the straight-line method of the estimated useful lives as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings	40
Equipment / Furniture & Fixtures	7

**Livingston Parish Fire Protection District No. 7**

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2018

**5. Leases**

The District records items under capital leases as an asset and obligation in the financial statements. The District recorded \$131,735 as a rescue truck with accumulated depreciation of \$112,606. The District recorded improvements to the fire station in the amount of \$44,937 as construction in progress at December 31, 2018 which were paid from the proceeds of the capital lease. The estimated cost to complete the project is approximately \$5,000. The following is a summary of long-term debt transactions of the District for the year ended December 31, 2018:

	Balance at 12/31/17	Additions	Deletions	Balance at 12/31/18	Due Within One Year
\$131,735 Capital Lease	\$ 38,378	\$ -	\$ 18,539	\$ 19,839	\$ 19,243
\$52,178 Capital Lease	-	50,000	10,896	39,104	9,255
<b>Totals</b>	<u>\$ 38,378</u>	<u>\$ 50,000</u>	<u>\$ 29,435</u>	<u>\$ 58,943</u>	<u>\$ 28,498</u>

Lease obligations at December 31, 2018, is comprised of the following:

\$131,735 lease obligation dated March 19, 2012, with Government Capital Corporation, with interest at 3.817%, payable in annual installments of principal and interest totaling \$20,000 through March 12, 2020. \$ 19,839

\$50,000 lease obligation dated July 20, 2018, with Government Capital Corporation, with interest at 5.1847%, payable in annual installments of principal and interest totaling \$11,328.43 through October 1, 2022. \$ 39,104

The following is a schedule by years of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2018:

Year Ending December 31,	\$50,000 Capital Lease	\$131,735 Capital Lease	Totals
2019	\$ 11,328	\$ 20,000	\$ 31,328
2020	11,328	619	11,947
2021	11,328	-	11,328
2022	11,328	-	11,328
<b>Total Payments</b>	<u>45,312</u>	<u>20,619</u>	<u>65,931</u>
<b>Less: Interest</b>	<u>6,208</u>	<u>780</u>	<u>6,988</u>
	<u>\$ 39,104</u>	<u>\$ 19,839</u>	<u>\$ 58,943</u>

**Livingston Parish Fire Protection District No. 7**

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2018

**6. Levied Taxes**

Ad valorem taxes attach as an enforceable lien on property on January 1 each year. Taxes are levied by the District during the year, are billed to taxpayers, and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Livingston Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Livingston Parish Tax Assessor. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2018, the District levied 10.000 mills for a total tax levy of \$95,148 on taxable property valuation totaling \$9,514,785.

**7. Litigation and Claims**

There is no litigation pending against the District Court at December 31, 2018.

**8. Compensation Paid Board Members**

LRS 40:1498 provides that each member of the District may receive compensation in the amount of \$30 per meeting, not to exceed two meetings in any one calendar month. Currently, the District does not pay compensation to board members.

**9. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 20, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Required Supplemental Information –  
Budgetary Comparison Schedule**

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**

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

	Original Budget	Final Budget	Actual Amounts - Cash Basis	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 57,000	\$ 57,000	\$ 59,905	\$ 2,905
Fire Insurance Premium Rebate	27,500	27,500	24,951	(2,549)
User Fee	32,500	32,500	26,645	(5,855)
State Revenue Sharing	5,200	5,200	5,858	658
FEMA Reimbursement	-	-	1,106	1,106
Other Income	-	-	7,671	7,671
Total Revenues	<u>122,200</u>	<u>122,200</u>	<u>126,136</u>	<u>3,936</u>
<b>Expenditures:</b>				
Public Safety:				
Fire Prevention	-	-	1,542	(1,542)
Insurance	24,000	25,519	25,572	(53)
Miscellaneous	22,000	21,910	2,785	19,125
Payroll Expenses	22,500	16,000	12,916	3,084
Professional Fees	3,500	4,250	4,170	80
Repairs and Maintenance	10,000	8,000	14,987	(6,987)
Station Maintenance	16,800	11,800	2,702	9,098
Supplies & Small Equipment	6,000	6,360	6,313	47
Telephone & Utilities	7,265	7,900	9,417	(1,517)
Uniforms & Gear	1,500	1,500	6,697	(5,197)
Vehicle Expenses	7,500	9,016	15,729	(6,713)
Capital Outlay	9,500	72,144	83,112	(10,968)
Debt Service:				
Lease Principal Payments	18,539	29,435	29,435	-
Interest	1,461	1,916	1,893	23
Total Expenditures	<u>150,565</u>	<u>215,750</u>	<u>217,270</u>	<u>(1,520)</u>
Excess (Deficiency) of Revenues over Expenditures	(28,365)	(93,550)	(91,134)	2,416
<b>Other Financing Sources:</b>				
Proceeds from Capital Lease	-	50,000	50,000	-
Total Other Financing Sources	-	50,000	50,000	-
Net Change in Budgetary Fund Balance	(28,365)	(43,550)	(41,134)	2,416
<b>Budgetary Fund Balance - January 1</b>	<u>54,020</u>	<u>54,020</u>	<u>76,537</u>	<u>22,517</u>
<b>Budgetary Fund Balance - December 31</b>	<u>\$ 25,655</u>	<u>\$ 10,470</u>	<u>\$ 35,403</u>	<u>\$ 24,933</u>

See independent accountant's review report.

## **Other Supplemental Information**

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
Schedule of Compensation, Benefits, and Other Payments to Agency Head  
For the Year Ended December 31, 2018

**Agency Head: Jerry Brook, Fire Chief**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ -
Benefits - Insurance	-
Benefits - Retirement	-
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	551
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	\$ 551

## **Other Independent Accountant's Report**

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

MEMBER

American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants



18435 HWY. 22  
P.O. BOX 1151  
PONCHATOULA, LA 70454  
(985) 386-5740 • FAX (985) 386-5742

29644 SOUTH MONTEPELIER AVE., STE. B  
P.O. BOX 520  
ALBANY, LA 70711  
(225) 209-6627 • FAX (225) 209-6625

## Phil Hebert, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

### Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Commissioners  
Livingston Parish Fire Protection District No. 7  
Livingston, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Livingston Parish Fire Protection District No. 7 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Livingston Parish Fire Protection District No. 7's compliance with certain laws and regulations during the year ended December 31, 2018 included in the accompanying Louisiana Attestation Questionnaire. Management of Livingston Parish Fire Protection District No. 7 is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed 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 as follows:

#### *Public Bid Law*

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

The District did not make any purchases for materials and supplies exceeding \$30,000 or public works exceeding \$154,450.

#### *Code of Ethics for Public Officials and Public Employees*

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

*According to R S 42 1119(C)(2) "The provisions of this Section shall not prohibit the continued employment of any public employee nor shall it be construed to hinder, alter, or in any way affect normal promotional advancements for such public employee where a member of public employees' immediate family becomes the agency head of such public employee's agency, provided that such public employee has been employed in the agency for a period of at least one year prior to the member of the public employee's immediate family becoming the agency head "*

The Fire Chief's wife is listed as an employee but she has been working for the District for more than one year prior to the Fire Chief's appointment.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

### *Budgeting*

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and amended budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

We traced adoption of the original budget to documentation in the minutes of the meeting of the District's commissioners held on February 12, 2018 and the amended budget on October 15, 2018. The proposed budget was adopted after the fiscal year started. This is in violation of the Louisiana Local Government Budget Act.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted revenues. Expenditures for the year exceeded budgeted expenditures but the variance was not greater than 5%.

### *Accounting and Reporting*

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

All disbursements were properly coded to the correct fund and general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Each of the six disbursements selected were approved in accordance with management's policies and procedures.

#### *Meetings*

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management provided us with a copy of the agenda and advertised it as required by the open meetings law.

#### *Debt*

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

I examined bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness. The District entered into Louisiana Municipal Lease Purchase Agreement on July 20, 2018. The Lease agreement contains wording that allows the District to cancel the lease should the District not have the funds in their budget.

#### *Advances and Bonuses*

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We scanned payroll disbursements and read the meeting minutes of the District's board of commissioners for the fiscal year. We found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

#### *State Audit Law*

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The District's report was dated and submitted timely in accordance with R.S. 24:513.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The District did not enter into any contracts that utilized any state funds.

#### *Prior-Year Comments*

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

The District's prior year report did not include any suggestions, exceptions, recommendations, or comments. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the District's compliance with the foregoing matters. 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 the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

Respectfully submitted,

*Phil Hebert*

Phil Hebert, CPA  
A Professional Accounting Corporation  
Albany, Louisiana  
June 20, 2019

**Livingston Parish Fire Protection District No. 7  
Livingston, Louisiana**

**Schedule of Current Year Findings and Recommendations  
For the Year Ended December 31, 2018**

**2018-1 Violation of Louisiana Local Government Budget Act**

**Condition:**

The General Fund Budget for December 31, 2018 was not adopted until after December 31, 2017.

**Cause:**

This was an oversight by management.

**Effect:**

The District is in violation of the Louisiana Local Government Budget Act.

**Criteria:**

R.S. 39:1309 states: "All action necessary to adopt and otherwise finalize and implement the budget for a fiscal year shall be taken in open meeting and completed before the end of the prior fiscal year except for school boards and parishes."

**Recommendation:**

We recommend the District start the budget process in November of each year to insure the budget is ready to be adopted before the start of the new fiscal year.

**Management Response:**

Management will start the budget process no later than November of each fiscal year to insure the budget is ready to be adopted before the start of the new fiscal year. Board President, Donald Sibley is the responsible party (225) 698-1327.

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

5-13-19 (Date Transmitted)

Phil Hebert CPA  
PO Box 1151  
Ponchatoula LA 70454

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

These representations are based on the information available to us as of \_\_\_\_\_.

**Public Bid Law**

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

Yes [ x ] No [ ]

**Code of Ethics for Public Officials and Public Employees**

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

**Budgeting**

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

Yes [ x ] No [ ]

**Accounting and Reporting**

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

**Meetings**

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

Yes [ x ] No [ ]

**Debt**

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

Yes [ x ] No [ ]

**Advances and Bonuses**

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

Yes [ x ] No [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [ x ] No [ ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [ x ] No [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

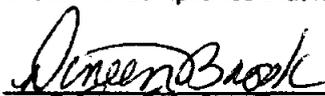
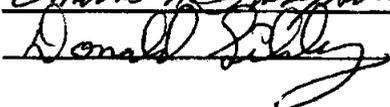
Yes [ x ] No [ ]

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [ x ] No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [ x ] No [ ]

	Secretary	<u>5-13-19</u>	Date
	Treasurer	<u>5-13-19</u>	Date
	President	<u>5-13-19</u>	Date