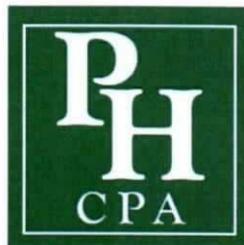


LIVINGSTON PARISH FIRE PROTECTION DISTRICT No.10  
HOLDEN, LOUISIANA

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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. 10**  
**Holden, Louisiana**  
Table of Contents  
As of and for the Year Ended December 31, 2018

	Statement	Schedule	Page
Independent Auditor's Report	-	-	1
Basic Financial Statements:			
Government-Wide Financial Statements:			
Statement of Net Position	A	-	5
Statement of Activities	B	-	6
Fund Financial Statements:			
Governmental Fund Balance Sheet	C	-	8
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position	D	-	9
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	E	-	10
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	F	-	11
Notes to the Financial Statements	-	-	12
Required Supplemental Information (Part II):			
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund	-	1	23
Other Supplemental Information:			
Schedule of Compensation, Benefits and Other Payments to Agency Head	-	2	25
Other Independent Auditor's Report:			
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>	-	-	27
Schedule of Current Year Audit Findings, Recommendations and Responses	-	-	29

CHARLES P. HEBERT, CPA

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## Phil Hebert, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

### Independent Auditor's Report

To the Board of Commissioners  
Livingston Parish Fire Protection District No. 10  
Holden, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of Livingston Parish Fire Protection District No. 10, 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.

#### 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 from 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 the general fund of the Livingston Parish Fire Protection District No. 10, as of December 31, 2018, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter Paragraph(s)**

#### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 23 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 and 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 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Livingston Parish Fire Protection District No. 10's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in

the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully submitted,

*Phil Hebert*

Phil Hebert CPA  
A Professional Accounting Corporation  
Albany, Louisiana  
June 17, 2019

# Basic Financial Statements

## Government – Wide Financial Statements

**Livingston Parish Fire Protection District No. 10  
Holden, Louisiana**

**Statement A**

**Statement of Net Position  
December 31, 2018**

	<u>Governmental Activities</u>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 253,076
Ad Valorem Taxes Receivable, Net of Uncollectible Allowance	173,365
State Revenue Sharing Receivable	4,864
Prepaid Insurance	12,789
Total Current Assets	<u>444,094</u>
Capital Assets	
Land	14,983
Capital Assets, Net	832,207
Total Capital Assets	<u>847,190</u>
<b>Total Assets</b>	<u>1,291,284</u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	16,454
Pension Fund Payable	6,943
Total Current Liabilities	<u>23,397</u>
<b>Total Liabilities</b>	<u>23,397</u>
<b>Net Position</b>	
Net Investment in Capital Assets	847,190
Unrestricted	420,697
Total Net Position	<u>\$ 1,267,887</u>

The notes to the financial statements are an integral part of this statement.

**Livingston Parish Fire Protection District No. 10  
Holden, Louisiana**

**Statement B**

**Statement of Activities  
For the Year Ended December 31, 2018**

	<u>General Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Change in Net Position Governmental Activities</u>
<b>Governmental Activities</b>			
General Government			
Public Safety	\$ 219,766	\$ -	\$ (219,766)
Total Governmental Activities	<u>\$ 219,766</u>	<u>\$ -</u>	<u>(219,766)</u>
<b>General Revenues</b>			
Ad Valorem Tax Revenue			178,084
State Revenue Sharing			14,815
Fire Insurance Premium Rebate			23,664
Net Gain on Insurance Recovery			253,956
Other Income			2,309
Interest Income			53
<b>Total General Revenues</b>			<u>472,881</u>
 <b>Change in Net Position</b>			 253,115
 <b>Net Position - Beginning of the Year</b>			 <u>1,014,772</u>
<b>Net Position - End of the Year</b>			<u>\$ 1,267,887</u>

The notes to the financial statements are an integral part of this statement.

# Basic Financial Statements

## Fund Financial Statements

**Livingston Parish Fire Protection District No. 10  
Holden, Louisiana**

**Statement C**

**Governmental Fund – Balance Sheet  
December 31, 2018**

	<u>General Fund</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 253,076
Ad Valorem Taxes Receivable, Net of Uncollectible Allowances	173,365
State Revenue Sharing Receivable	4,864
Prepaid Insurance	12,789
Total Assets	\$ 444,094
 <b>Liabilities and Fund Balance</b>	
Liabilities:	
Accounts Payable	\$ 16,454
Pension Funds Payable	6,943
Total Liabilities	23,397
 Fund Balances:	
Nonspendable	12,789
Unassigned	407,908
Total Fund Balance	420,697
 <b>Total Liabilities and Fund Balance</b>	 \$ 444,094

The notes to the financial statements are an integral part of this statement.

**Livingston Parish Fire Protection District No. 10  
Albany, Louisiana**

**Statement D**

**Reconciliation of the Governmental Fund Balance Sheet to the  
Government-Wide Statement of Net Position  
For the Year Ended December 31, 2018**

<b>Total Fund Balance, Governmental Funds (Statement C)</b>	\$ 420,697
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Governmental Capital Assets, Net of Depreciation	847,190
--	---------

<b>Net Position of Governmental Activities (Statement A)</b>	<u>\$ 1,267,887</u>
--	---------------------

The notes to the financial statements are an integral part of this statement.

**Livingston Parish Fire Protection District No. 10**  
**Holden, Louisiana**

**Statement E**

**Statement of Governmental Fund Revenues, Expenditures, and  
Changes in Fund Balance  
For the Year Ended December 31, 2018**

	<u>General Fund</u>
<b>Revenues</b>	
Ad Valorem Tax Revenue	\$ 178,084
State Revenue Sharing	14,815
Fire Insurance Premium Rebate	23,664
Other Income	2,309
Interest Income	53
<b>Total Revenues</b>	<u>218,925</u>
<b>Expenditures</b>	
Public Safety	
Fire Fighting Equipment & Training	4,194
First Responder Equipment & Training	23,309
Insurance	28,542
Miscellaneous	115
Office Equipment & Supplies	5,894
Pension Fee	6,943
Professional Services	3,750
Property & Building Maintenance	8,586
Truck Maintenance	40,857
Utilities	8,398
Capital Outlay	406,217
<b>Total Expenditures</b>	<u>536,805</u>
Excess (Deficiency) of Revenues Over Expenditures	(317,880)
<b>Other Financing Sources:</b>	
Insurance Reimbursement	380,948
<b>Total Other Financing Sources</b>	<u>380,948</u>
Net Change in Fund Balance	<u>63,068</u>
<b>Fund Balance - Beginning of the Year</b>	357,629
<b>Fund Balance - End of the Year</b>	<u>\$ 420,697</u>

The notes to the financial statements are an integral part of this statement.

**Livingston Parish Fire Protection District No. 10  
Holden, Louisiana**

**Statement F**

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

<b>Net Change in Fund Balance, Governmental Fund (Statement E)</b>	<b>\$ 63,068</b>
--	------------------

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets:

Capital Outlay	406,217
----------------	---------

Less:

Current year depreciation	(89,178)
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In the Statement of Activities, only the net gain on the insurance recovery for a capital asset is reported. However, in the governmental funds, the insurance reimbursement for the disposal of the capital asset increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	(126,992)
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<b>Change in Net Position of Governmental Activities (Statement B)</b>	<b>\$ <u>253,115</u></b>
--	--------------------------

The notes to the financial statements are an integral part of this statement.

**Livingston Parish Fire Protection District No. 10**  
**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**Introduction**

Livingston Parish Fire Protection District No. 10, (“the District”), is a corporate body created by the Livingston Parish Council, as provided by Louisiana Revised Statutes R.S. 38:1751, et. seq. The District is governed by a board of five commissioners who are appointed by the Livingston Parish Council. The District was created for the purpose of providing fire protection and prevention to District 10 of the parish of Livingston. The District is located in Holden, Louisiana.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Livingston Parish Fire Protection District No. 10 is considered a component unit of the Livingston Parish Council. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the District.

**1. Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The accompanying basic financial statements of the Livingston Parish Fire Protection District No. 10 have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management’s Discussion and Analysis, for State and Local Governments*, as amended. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), and a statement of activities. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The District has also adopted the provisions of GASB Statement No. 33, *Accounting and Financially Reporting for Nonexchange Transactions*, that requires capital contributions to the District to be presented as a change in net position.

GASB Statement No. 63, *Financially Reporting of Deferred Outflows, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net position by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net position by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those

**Livingston Parish Fire Protection District No. 10**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position.

This statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Note 1J – Net Position and Fund Balance*.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognized, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The District did not have any deferred outflows or deferred inflows of resources at December 31, 2018.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, a primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District does not have any business-type activities and reports only governmental activities. The District has no component units.

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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements. The General Fund is the District’s primary operating fund and is considered the only major fund. It is used to account for all financial resources except those required to be accounted for in another fund. At December 31, 2018, it is the only fund of the District.

**Livingston Parish Fire Protection District No. 10**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days at the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if they are measurable and available. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) program-specific operating grants and contributions; and, 3) program-specific capital grants and contributions. The District has no program revenue for the year ending December 31, 2018. Internally dedicated resources, if any, are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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.

When restricted, committed, assigned, or unassigned fund balances are available for use, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

**D. Budgets and Budgetary Accounting**

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-15. The budget is adopted on the cash basis of accounting.

1. The District adopts a budget each year for the general fund.

**Livingston Parish Fire Protection District No. 10**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

2. The District's Fire Chief prepares a proposed budget and submits it to the Board of Commissioners 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.
3. 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 December 4, 2017.
4. 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. The budget was amended on February 5, 2018.
5. Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting. Budgeted amounts included in the accompanying financial statements include the revised adopted budget amounts. The amounts are reconciled to the amounts reflected on the budget comparison statements as follows:

Net Change in Fund Balance (Statement E)	\$	63,068
Add: Prior Year Receivables		178,102
Prior Year Prepaid Insurance		13,379
Current Year Payables		23,397
Less: Current Year Receivables		(178,229)
Current Year Prepaid Insurance		(12,789)
Prior Year Payables		(32,817)
Net Change in Budgetary Fund Balance (Schedule 1)	\$	<u><u>54,111</u></u>

**E. Cash, Cash Equivalents, and Investments**

The District's cash and cash equivalents are considered to be cash on hand, 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, 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.

In accordance with state law, the District limits its investments to those allowed under R.S. 33:2955. Certificates of deposit are classified as investments if their original maturities exceed 90 days. Investments are reported at fair market.

**Livingston Parish Fire Protection District No. 10**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**F. Inventory**

Inventories for supplies are immaterial and are recorded as expenditures when purchased. The District did not have inventory at year end December 31, 2018.

**G. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**H. Capital Assets**

Capital assets, which include property, furniture and fixtures, equipment, and vehicles, are reported as expenditures of the governmental funds and as assets in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. As of December 31, 2018, the District did not have a formal capitalization policy establishing a capitalization/expense threshold.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10 - 40 Years
Equipment	5 - 10 Years
Furniture and Fixtures	5 - 10 Years
Vehicles	5 - 15 Years

**I. Compensated Absences**

As of December 31, 2018, all District employees are volunteers. Accordingly, the District has no plan or provision for accumulated leave, pension plan, or other post-employment benefits.

**J. Net Position and Fund Balance**

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required classification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

**Livingston Parish Fire Protection District No. 10**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

- **Net Investment in Capital Assets Component of Net Position** The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisitions, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position** The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- **Unrestricted Component of Net Position** – The *unrestricted* of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The District adopted GASB 54 for the year ended December 31, 2011. As such, fund balances of governmental funds are classified as follows:

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for the specific purposes determined by a formal vote of the Board, which is the highest level of decision making authority for the District.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board.
- **Unassigned.** These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed or assigned for those purposes.

**Livingston Parish Fire Protection District No. 10**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**K. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

**L. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**M. Reconciliation of Government-Wide and Fund Financial Statements**

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

**2. Levied Taxes**

The following is a summary of authorized and levied ad valorem taxes:

	<b>Authorized Millage</b>	<b>Levied Millage</b>
General Fund	10.940 Mills	\$ 178,693

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 10.940 mills for a total tax levy of \$178,693 on taxable property valuation totaling \$16,333,840.

**Livingston Parish Fire Protection District No. 10**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**3. Cash and Cash Equivalents**

At December 31, 2018, the District has deposits (book balances) as follows:

Non-Interest Bearing Demand Deposits	\$	147,829
Certificate of Deposits Held as Investments (with maturities of less than three months)		105,247
Total	\$	<u><u>253,076</u></u>

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 fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposits is the risk that in the event of bank failure, the government's deposits may not be returned. At December 31, 2018, the District has \$253,111 in deposits (collected bank balances), consisting of \$147,864 in non-interest bearing demand deposits and \$105,247 in certificates of deposit. The certificates of deposit are secured from risk by \$250,000 of federal deposit insurance. The demand deposits are secured from risk by \$250,000 of federal deposit insurance.

**4. Receivables**

The governmental funds receivables are all current at December 31, 2018 and consist of the following:

	<b>General</b>		<b>Total</b>
	<b>Fund</b>		
Ad Valorem Taxes	\$ 178,693	\$	178,693
State Revenue Sharing	4,864		4,864
Subtotal	<u>183,557</u>		<u>183,557</u>
Allowance for Uncollectible Accounts	(5,328)		(5,328)
<b>Receivable, Net</b>	<u><u>\$ 178,229</u></u>	\$	<u><u>178,229</u></u>

**Livingston Parish Fire Protection District No. 10**  
**Notes to Financial Statements**  
**As of and 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 for governmental activities are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities Capital Assets:</b>				
Capital Assets Not Depreciated:				
Land	\$ 14,983	\$ -	\$ -	\$ 14,983
Total Capital Assets Not Being Depreciated:	<u>14,983</u>	<u>-</u>	<u>-</u>	<u>14,983</u>
 Capital Assets Being Depreciated				
Buildings	308,085	-	-	308,085
Equipment and Vehicles	926,161	406,217	(362,934)	969,444
Furniture and Fixtures	237,549	-	-	237,549
Total Other Capital Assets	<u>1,471,795</u>	<u>406,217</u>	<u>(362,934)</u>	<u>1,515,078</u>
 Less: Accumulated Depreciation for:				
Buildings	(138,236)	(10,648)	-	(148,884)
Equipment and Vehicles	(486,527)	(74,526)	235,942	(325,111)
Furniture and Fixtures	(204,872)	(4,004)	-	(208,876)
Total Accumulated Depreciation	<u>(829,635)</u>	<u>(89,178)</u>	<u>235,942</u>	<u>(682,871)</u>
Total Capital Assets Being Depreciated, Net	<u>642,160</u>	<u>317,039</u>	<u>(126,992)</u>	<u>832,207</u>
 <b>Total Governmental Activities Capital Assets, Net</b>	 <u>\$ 657,143</u>	 <u>\$ 317,039</u>	 <u>\$ (126,992)</u>	 <u>\$ 847,190</u>

In 2018, the District had a total loss on two fire trucks. The trucks originally cost \$345,771 and had depreciation totaling \$218,779. The District received \$380,948 of insurance reimbursement for the fire trucks and equipment on the truck.

**6. Leases**

At December 31, 2018 the District does not have any capital or operating leases.

**7. Risk Management**

The District is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The District maintains commercial insurance policies for the claims related to the aforementioned risks. The District's payment of the insurance policy deductible is the only liability associated with these policies.

**Livingston Parish Fire Protection District No. 10**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**8. Contingent Liabilities**

The District was not involved in any outstanding litigation or claims at December 31, 2018.

**9. Compensation Paid to Board Members**

In accordance with house Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, the District is required to present a schedule of per diem payments to Board members. 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 duties imposed upon them by virtue of their serving as members. Currently, the District does not pay compensation to board members.

**10. Subsequent Events**

Subsequent events have been evaluated by management through June 17, 2019, the date financial statements were available for issuance. No events require disclosure in the financial statements for the year ending December 31, 2018.

**Required Supplemental Information:**  
**Budgetary Comparison Schedule**

**Livingston Parish Fire Protection District No. 10**  
**Holden, Louisiana**

**Schedule 1**

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Cash Basis</u>	<u>Favorable (Unfavorable ) Variance</u>
<b>Revenues</b>				
Ad Valorem Tax Revenue	\$ 169,000	\$ 171,077	\$ 171,077	\$ -
State Revenue Sharing	17,000	17,000	14,815	(2,185)
Fire Insurance Premium Rebate	30,000	30,000	23,664	(6,336)
Other Income	1,000	1,000	2,309	1,309
Interest Income	-	-	53	53
Total Revenues	<u>217,000</u>	<u>219,077</u>	<u>211,918</u>	<u>(7,159)</u>
<b>Expenditures</b>				
Public Safety				
Fire Fighting Equipment & Training	25,000	55,816	6,169	49,647
First Responder Equipment & Training	25,000	25,000	23,309	1,691
Insurance	30,000	29,976	27,952	2,024
Miscellaneous	-	2,500	115	2,385
Office Equipment & Supplies	5,500	5,000	5,388	(388)
Professional Services	5,000	15,000	3,750	11,250
Property & Building Maintenance	15,000	15,423	8,586	6,837
Truck Maintenance	25,000	25,000	47,965	(22,965)
Utilities	10,000	10,000	9,304	696
Capital Outlay	100,000	398,020	406,217	(8,197)
Total Expenditures	<u>240,500</u>	<u>581,735</u>	<u>538,755</u>	<u>42,980</u>
Excess (Deficiency) of Revenues Over Expenditures	(23,500)	(362,658)	(326,837)	35,821
<b>Other Financing Sources:</b>				
Insurance Reimbursement	-	380,948	380,948	-
Total Other Financing Sources	<u>-</u>	<u>380,948</u>	<u>380,948</u>	<u>-</u>
Net Change in Fund Balance	(23,500)	18,290	54,111	35,821
<b>Budgetary Fund Balance Beginning</b>	<u>163,188</u>	<u>198,965</u>	<u>198,965</u>	<u>-</u>
<b>Budgetary Fund Balance Ending</b>	<u>\$ 139,688</u>	<u>\$ 217,255</u>	<u>\$ 253,076</u>	<u>\$ 35,821</u>

See independent auditor's report.

## **Other Supplemental Information**

**Livingston Parish Fire Protection District No. 10**  
**Holden, Louisiana**

**Schedule 2**

**Schedule of Compensation, Benefits and Other Payments to Agency Head**  
**For the Year Ended December 31, 2018**

**Agency Head Name: Brian Berthelot, President**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Employer Paid Medicare & Social Security	-
Travel	-
Registration Fees	-
Other Payments	-
	<u>\$ -</u>

See independent auditor's report.

**Other Independent Auditor's Report**

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

MEMBER

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Society of Louisiana Certified Public Accountants



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## Phil Hebert, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

### Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Commissioners  
Livingston Parish Fire Protection District No. 10  
Holden, 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. 10, Holden, Louisiana, 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 Livingston Parish Fire Protection District No. 10's basic financial statements and have issued our report thereon dated June 17, 2019.

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

In planning and performing our audit of the financial statements, we considered Livingston Parish Fire Protection District No. 10'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 the Livingston Parish Fire Protection District No. 10's internal control. Accordingly, we do not express an opinion on the effectiveness of the Livingston Parish Fire Protection District No. 10'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. 10's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of Current Year Audit Findings, Responses, and Recommendation.

### **Purpose of this Report**

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

This report is intended solely for the information and use of management and the Office of the Legislative Auditor, State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed to the Legislative Auditor as a public document.

*Phil Hebert*

Phil Hebert, CPA  
A Professional Accounting Corporation  
Albany, Louisiana

June 17, 2019

**Livingston Parish Fire Protection District No. 10**  
**Holden, Louisiana**

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

We have audited the basic financial statements of the Livingston Parish Fire Protection District No. 10 as of and for the year ended December 31, 2018, and have issued our report thereon dated June 17, 2019. 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. Our audit of the financial statements as of December 31, 2018 resulted in an unmodified opinion.

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

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

Internal Control

Material Weakness, No                      Significant Deficiencies, No

Compliance

Compliance Material to Financial Statements, Yes

b. Federal Awards

Not Applicable

Was a management letter issued? No

**2018-1                      Violation of 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."

**Condition:**

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

**Cause:**

The District's secretary was not available at year end due to a death in the family.

**Livingston Parish Fire Protection District No. 10**  
**Holden, Louisiana**

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

**Effect:**

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

**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:**

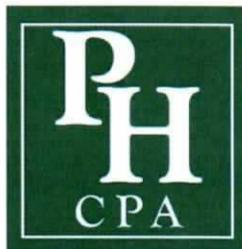
Management will start the budget process no later than November of each fiscal year to insure the budget is ready to be adopted before the start of the new fiscal year. Board President, Brian Berthelot is the responsible party (225) 567-5559.

LIVINGSTON PARISH FIRE PROTECTION DISTRICT No. 10  
HOLDEN, LOUISIANA

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
AGREED UPON PROCEDURES

As of and for the Year Ended December 31, 2018



PHIL HEBERT  
CERTIFIED PUBLIC ACCOUNTANT  
A PROFESSIONAL ACCOUNTING CORPORATION

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

MEMBER

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## Phil Hebert, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

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

To the Board of Commissioners of  
Livingston Parish Fire Protection District No. 10  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Livingston Parish Fire Protection District No. 10 and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The District's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

#### ***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  
*The District does not have any written policies and procedures for budgeting.*
  - 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.

*The District does not have any written policies and procedures for purchasing.*

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

*The District does not have any written policies and procedures for purchasing.*

- d) **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).

*The District does not have any written policies and procedures for receipts/collections.*

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

*N/A*

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

*N/A*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

*The District does not have any written policies and procedures for credit cards.*

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

*The District does not have any written policies and procedures for travel and expense reimbursement.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*The District does not have any written policies and procedures for ethics.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*N/A*

**Management's Response:** *The District will work on developing written policies and procedures.*

### ***Board or Finance Committee***

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*The board meets on a monthly basis.*

b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*Minutes referenced the board observing budget-to-actual comparisons.*

c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

*The District did not have a negative unrestricted fund balance.*

### ***Bank Reconciliations***

---

3. 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);

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

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, if applicable.

**Exception:** Bank Reconciliations did not show evidence of approval or being prepared within 2 months.

**Management's Response:** The District recently purchased Quickbooks software. Bank accounts are now reconciled through Quickbooks and are brought to the board monthly for review.

### **Collections**

---

4. 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).

*Management provided me a list of all deposit sites.*

5. 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.
  - 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.
  - 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.
  - 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.

**Exception:** The District's hired bookkeeper is responsible for cash collections. She is responsible for making bank deposits, posting collections to the general ledger, and reconciling to the general ledger. The board does review the supporting documentation for deposits and matches to the bank statement.

**Management's Response:** Management will continue to allow the hired bookkeeper to collect the checks, post payments to the general ledger and reconcile the bank account. The board will continue to review the supporting documentation for deposit and match to the bank statement.

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

*No exceptions noted.*

7. 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.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions noted.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

8. 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).

*Management provided me with a list of locations that process payments.*

9. For each location selected under #8 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.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - 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.
  - 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.

***Exception:*** *Two people are involved in approving a purchase but the District does not use purchase requests. The bookkeeper does have the ability to add or modify vendors in the accounting software.*

**Management's Response:** Due to minimal transactions and small staff the District does not use purchase requests. Since the bookkeeper can add or modify vendor files, the District will continue to review cancelled checks on the bank statement.

10. For each location selected under #8 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.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Exception:** All disbursements tested matched the original invoice. No purchase requests are used. See management's response in Procedure No. 9.

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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

*Management provided me with a list of credit cards.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

**Exception:** The statement tested had a finance charge of \$6.82.

**Management's Response:** The District has not been receiving its mail on time from the Post Office. The District has filed a complaint.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written

documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

**Exception:** *The District had its receipts attached. One meal receipt was included, but it was not an itemized receipt. The receipt was listed for training.*

**Management's Response:** *The District will make authorized card holders aware of getting itemized receipts.*

#### **Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

(The District did not have any travel related expense reimbursements)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

#### **Contracts**

(The District does not have any contracts with any vendors)

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

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(The District does not have any paid employees)

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

## *Ethics*

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*The District does not have any paid employees. Board members do take ethics class yearly.*

## *Debt Service*

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(The District does not have any debt)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

## *Other*

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No exceptions noted

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Exception:** *The District did not have the required notice posted.*

**Management's Response:** *Effective immediately, the District will post the required notice.*

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 C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed

additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Phil Hebert*

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Albany, Louisiana

June 17, 2019