

**LIVINGSTON PARISH FIRE PROTECTION DISTRICT NO. 9
MAUREPAS, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2020



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

A Professional Accounting Corporation

Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana
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As of and for the Year Ended December 31, 2020

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A P R O F E S S I O N A L A C C O U N T I N G C O R P O R A T I O N

Independent Auditor's Report

To the Members of the Board of Commissioners
Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana

We have audited the accompanying financial statements of the governmental activities and the general fund of Livingston Parish Fire Protection District No. 9, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2020, 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.

Accountant'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 *Governmental 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 Livingston Parish Fire Protection District No. 9, a component unit of the Livingston Parish Council, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter Paragraph(s)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 24 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. 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. Our opinion on the financial statements is not affected by this missing information.

Supplementary 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. 9's basic financial statements. 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.

The accompanying schedule of compensation, benefits, and other payments to the agency head is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to the agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021, on our consideration of the Livingston Parish Fire Protection District No. 9's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Livingston Parish Fire Protection District No. 9's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Livingston Parish Fire Protection District No. 9's internal control over financial reporting and compliance.

Respectfully submitted,

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
May 11, 2021

Basic Financial Statements

Government – Wide Financial Statements

**Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana**

Statement A

**Statement of Net Position
December 31, 2020**

	<u>Governmental Activities</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 139,653
Accounts Receivable, Net	281,506
Prepaid Insurance	9,042
Total Current Assets	<u>430,201</u>
Capital Assets	
Land	117,000
Capital Assets, Net	957,542
Total Capital Assets	<u>1,074,542</u>
Total Assets	<u>1,504,743</u>
Liabilities	
Current Liabilities:	
Accounts Payable	10,364
Accrued Salaries	837
Payroll Taxes Payable	2,577
Sheriff's Pension Payable	8,563
Accrued Interest	14,025
Capital Lease, Current Portion	36,273
Total Current Liabilities	<u>72,639</u>
Long-Term Liabilities	
Capital Lease, Long-Term Portion	391,394
Total Long-Term Liabilities	<u>391,394</u>
Total Liabilities	<u>464,033</u>
Net Position	
Net Investment in Capital Assets	646,875
Unrestricted	393,835
Total Net Position	<u>\$ 1,040,710</u>

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

**Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana**

Statement B

**Statement of Activities
For the Year Ended December 31, 2020**

	<u>General Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Change in Net Position Governmental Activities</u>
Governmental Activities			
General Government			
Public Safety	\$ 336,608	\$ -	\$ (336,608)
Interest on Long-Term Debt	17,404	-	(17,404)
Total Governmental Activities	<u>\$ 354,012</u>	<u>\$ -</u>	<u>(354,012)</u>
 General Revenues			
Ad Valorem Tax Revenue			214,774
User Fee			75,254
State Revenue Sharing			2,767
Fire Insurance Premium Rebate			26,174
FEMA Reimbursement			6,675
Insurance Reimbursement			32,010
Interest Income			1,852
State Supplemental Pay			6,000
Other Income			2,250
Total General Revenues			<u>367,756</u>
 Change in Net Position			 13,744
 Net Position - Beginning of the Year (Restated)			 <u>1,026,966</u>
Net Position - End of the Year			\$ <u>1,040,710</u>

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

Basic Financial Statements

Fund Financial Statements

**Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana**

Statement C

**Governmental Fund – Balance Sheet
December 31, 2020**

	<u>General Fund</u>
Assets	
Cash and Cash Equivalents	\$ 139,653
Ad Valorem Taxes Receivable, Net of Uncollectible Allowances	211,055
User Fee Receivable, Net of Uncollectible Allowances	69,536
State Revenue Sharing Receivable	915
Prepaid Insurance	9,042
Total Assets	\$ 430,201
 Liabilities and Fund Balance	
Liabilities:	
Accounts Payable	\$ 10,364
Accrued Salaries	837
Payroll Taxes Payable	2,577
Pension Funds Payable	8,563
Total Liabilities	22,341
 Deferred Inflow of Resources	
Unavailable Ad Valorem Taxes	12,744
Total Deferred Inflow of Resources	12,744
 Fund Balance:	
Nonspendable, Prepaid Insurance	9,042
Unassigned	386,074
Total Fund Balance	395,116
 Total Liabilities/Deferred Inflows and Fund Balance	 \$ 430,201

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

**Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana**

Statement D

**Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
For the Year Ended December 31, 2020**

Total Fund Balance, Governmental Funds (Statement C)	\$	395,116
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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		1,074,542
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Deferred inflow of resources - unavailable ad valorem taxes and user fees are not reported on government-wide financial statements.		12,744
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Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:

Capital Lease, Current Portion		(36,273)
Capital Lease, Long-Term Portion		(391,394)
Accrued Interest		(14,025)

Net Position of Governmental Activities (Statement A)	\$	<u><u>1,040,710</u></u>
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The accompanying notes are an integral part of these financial statements.

**Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana**

Statement E

**Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 2020**

	<u>General Fund</u>
Revenues	
Ad Valorem Tax Revenue	\$ 210,790
User Fee	75,254
State Revenue Sharing	2,767
Fire Insurance Premium Rebate	26,174
FEMA Reimbursement	6,675
Insurance Reimbursement	32,010
Interest Income	1,852
State Supplemental Pay	6,000
Other Income	2,250
Total Revenues	<u>363,772</u>
Expenditures	
Public Safety	
Collection Fees	8,344
Insurance	20,387
Election Fees	268
Miscellaneous	5,108
Office Expenses	3,604
Payroll Taxes	6,261
Professional Fees	11,860
Repairs and Maintenance	31,072
Sheriff's Pension Fund	8,563
Supplemental Pay Expense	6,000
Supplies and Small Equipment	15,846
Telephone and Utilities	16,439
Training	6,441
Uniforms	2,440
Vehicle Expenses	11,875
Wages	71,787
Capital Outlay	279,003
Debt Service:	
Lease Principal Payments	24,472
Lease Interest Payments	8,895
Total Expenditures	<u>538,665</u>
Excess (Deficiency) of Revenues over Expenditures	(174,893)
Other Financing Sources:	
Proceeds from Capital Lease	193,131
Total Other Financing Sources	<u>193,131</u>
Net Change in Fund Balance	<u>18,238</u>
Fund Balance - Beginning of the Year	<u>376,878</u>
Fund Balance - End of the Year	<u>\$ 395,116</u>

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

**Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana**

Statement F

**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, 2020**

Net Change in Fund Balance, Governmental Fund (Statement E)	\$	18,238
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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	279,003
Less:	
Current year depreciation	(110,313)

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

Change in Unavailable Ad Valorem Taxes and User Fees	3,984
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Accrued interest expense on long-term debt is reported in the government-wide statements of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest is not reported as expenditures in government funds.

Change in Accrued Interest Payable	(8,509)
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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 from Capital Lease	(193,131)
Lease Principal Payments	24,472

Change in Net Position of Governmental Activities (Statement B)	\$	<u>13,744</u>
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The accompanying notes are an integral part of these financial statements.

Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

Introduction

Livingston Parish Fire Protection District No. 9, (“the District”), was created by resolution of the Livingston Parish Government under the authority of Louisiana Revised Statutes (LRS) 40:1492-1505 for the purpose of purchasing fire equipment and providing fire protection for the people of District No. 9 of Livingston Parish. The District is governed by a board of commissioners consisting of five members appointed by the Livingston Parish Government. Members serve staggered five-year terms and receive no compensation for their services.

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 LRS 24:513 and to the guidance 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. Basis of Presentation

The accompanying basic financial statements of the Livingston Parish Fire Protection District No. 9 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. Management has elected to omit the management’s discussion and analysis.

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 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.

Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2020

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 II – 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 recorded a deferred inflow for uncollected property taxes in the governmental fund financial statements of \$12,744.

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, 2020, it is the only fund of the District.

Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2020

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, user fees, 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, 2020. 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, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The major requirements of the Local Government Budget Act are summarized as follows:

Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2020

1. The District adopts a budget each year for the general fund.
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 16, 2019.
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 December 15, 2020.
5. Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting. The Budget is 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 budget, as amended. The amounts are reconciled to the amounts reflected in the accompanying basic financial statements as follows:

Net Change in Fund Balance (Statement E)	\$ 18,238
Add: Prior Year Receivables and Prepaid Insurance	245,456
Current Year Payables and Deferred Inflows	32,509
Less: Current Year Receivables and Prepaid Insurance	(290,548)
Prior Year Payables and Deferred Inflows	<u>(28,268)</u>
Net Change in Budgetary Fund Balance (Schedule 1)	<u><u>\$ (22,613)</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. 9
Maurepas, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2020**

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, 2020.

G. 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, 2020, 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	20 - 40 Years
Equipment	5 Years
Infrastructure	20 Years

H. Compensated Absences

As of December 31, 2020, the District has no plan or provision for accumulated leave, pension plan, or other post-employment benefits.

I. 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:

- **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,

Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2020

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* component 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. 9
Maurepas, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2020

J. 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.

K. 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.

L. 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. Ad Valorem Taxes, User Fees, and State Revenue Sharing

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

	Authorized Millage	Levied Millage
General Fund	10.74	\$ 220,817

Ad valorem taxes attach as an enforceable lien on property on January 1 each year. Taxes are levied by the District during the year and 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 2020, the District levied 10.740 mills for a total tax levy of \$220,817 on taxable property valuation totaling \$20,560,042.

For the year 2020, a user fee of \$32 was assessed on each household within the District's boundaries. Total fees levied were \$69,536. At December 31, 2020, the user fee receivable, including uncollected taxes from prior years, was \$69,536. For the year 2020, the District received \$2,767 in Louisiana State Revenue Sharing. At December 31, 2020, state revenue sharing receivable totaled \$915.

Livingston Parish Fire Protection District No. 9
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As of and for the Year Ended December 31, 2020

3. Cash and Cash Equivalents

At December 31, 2020, the District has deposits (book balances) as follows:

Demand Deposits	\$	139,653
Total	\$	<u>139,653</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. Total deposits are insured by FDIC Insurance.

4. Receivables

The governmental funds receivables are all current at December 31, 2020 and consist of the following:

	General Fund		Total
Ad Valorem Taxes	\$ 220,817	\$	220,817
User Fees	69,536		69,536
State Revenue Sharing	915		915
Subtotal	<u>291,268</u>		<u>291,268</u>
Allowance for Uncollectible Accounts	(9,762)		(9,762)
Accounts Receivable, Net	<u>\$ 281,506</u>	\$	<u>281,506</u>

Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2020

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2020 for governmental activities are as follows:

Governmental Activities Capital Assets:	Balance			Balance
	12/31/19	Increases	Decreases	12/31/20
Capital Assets Not Depreciated:				
Land	\$ 117,000	\$ -	\$ -	\$ 117,000
Total Capital Assets Not Being Depreciated:	<u>117,000</u>	<u>-</u>	<u>-</u>	<u>117,000</u>
Capital Assets Being Depreciated				
Buildings	298,533	7,988	-	306,521
Equipment	389,849	7,884	-	397,733
Leasehold Improvements	3,100	-	-	3,100
Fire Trucks	1,082,791	263,131	(10,000)	1,335,922
Boats	33,347	-	-	33,347
Vehicles	500	-	-	500
Total Other Capital Assets	<u>1,808,120</u>	<u>279,003</u>	<u>(10,000)</u>	<u>2,077,123</u>
Less: Accumulated Depreciation for:				
Buildings	(169,669)	(7,740)	-	(177,409)
Equipment	(305,902)	(25,112)	-	(331,014)
Leasehold Improvements	(1,219)	(203)	-	(1,422)
Fire Trucks	(525,855)	(73,946)	10,000	(589,801)
Boats	(16,155)	(3,280)	-	(19,435)
Vehicles	(468)	(32)	-	(500)
Total Accumulated Depreciation	<u>(1,019,268)</u>	<u>(110,313)</u>	<u>10,000</u>	<u>(1,119,581)</u>
Total Capital Assets Being Depreciated, Net	<u>788,852</u>	<u>168,690</u>	<u>-</u>	<u>957,542</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 905,852</u>	<u>\$ 168,690</u>	<u>\$ -</u>	<u>\$ 1,074,542</u>

6. Leases

The District records items under capital leases as an asset and obligation in the financial statements. The District has recorded total capital assets under capital lease of \$474,424 and accumulated depreciation of \$49,338. The following is a summary of long-term debt transactions of the District for the year ended December 31, 2020:

Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2020

	Balance at 12/31/19	Additions	Deletions	Balance at 12/31/20	Due Within One Year
\$29,360 Capital Lease	\$ 21,796	\$ -	\$ 4,935	\$ 16,861	\$ 5,263
\$237,212 Capital Lease	237,212	-	19,537	217,675	18,038
\$193,131 Capital Lease	-	193,131	-	193,131	12,972
Totals	\$ 259,008	\$ 193,131	\$ 24,472	\$ 427,667	\$ 36,273

\$29,360 lease obligation dated June 1, 2018, with KS StateBank, with interest at 6.4%, payable in annual installments of principal and interest totaling \$6,383 through June 1, 2023.

\$ 16,861

\$237,212 lease obligation dated July 12, 2019, with Government Capital Corporation, with interest at 4.11%, payable in annual installments of principal and interest totaling \$26,985 through April 12, 2030.

\$ 217,675

\$193,131 lease obligation dated January 24, 2020, with Government Capital Corporation, with interest at 3.84%, payable in annual installments of principal and interest totaling \$20,388 through January 24, 2032.

\$ 193,131

The following is a schedule by years of the future minimum lease payments under the capital lease with the present value of the net minimum lease payments as of December 31, 2020:

Year Ending December 31,	\$29,360 Capital Lease	\$237,212 Capital Lease	\$193,131 Capital Lease	Total
2021	\$ 6,382	\$ 26,985	\$ 20,388	\$ 53,755
2022	6,382	26,985	20,388	53,755
2023	6,382	26,985	20,388	53,755
2024	-	26,985	20,388	47,373
2025	-	26,985	20,388	47,373
2026-2030	-	134,922	101,940	236,862
2031-2032	-	-	40,776	40,776
Total Payments	<u>19,146</u>	<u>269,847</u>	<u>244,656</u>	<u>533,649</u>
Less: Interest	<u>2,285</u>	<u>52,172</u>	<u>51,525</u>	<u>105,982</u>
	<u>\$ 16,861</u>	<u>\$ 217,675</u>	<u>\$ 193,131</u>	<u>\$ 427,667</u>

Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2020

7. Judgements, Claims, and Similar Contingencies

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.

The District is party to routine claims and legal proceedings arising in the ordinary course of business. All such claims are covered by insurance, and in the opinion of management, the outcome of such actions will not have a material impact on the financial condition or results of operations for the District.

8. 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.

9. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended December 31, 2020 the State of Louisiana made on behalf payments in the form of supplemental pay to the District's firemen. In accordance with GASB 24, the District recorded \$6,000 of on-behalf payments as revenue and as an expenditure in the General Fund.

10. Subsequent Events

Subsequent events have been evaluated by management through May 11, 2021, the date financial statements were available for issuance. No events require disclosure in the financial statements for the year ending December 31, 2020.

Required Supplemental Information (Part II):
Budgetary Comparison Schedule

**Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana**

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
For the Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Cash Basis</u>	<u>Var. Favorable (Unfavorable)</u>
Revenues				
Ad Valorem Tax Revenue	\$ 196,000	\$ 214,600	\$ 187,899	\$ (26,701)
User Fee	60,000	60,000	58,045	(1,955)
State Revenue Sharing	2,800	2,800	2,767	(33)
Fire Insurance Premium Rebate	25,800	26,200	26,174	(26)
FEMA Reimbursement	-	5,006	6,675	1,669
Insurance Reimbursement	-	32,010	32,010	-
Interest Income	1,500	500	1,852	1,352
State Supplemental Income	-	6,000	6,000	-
Other Income	-	2,250	2,250	-
Total Revenues	<u>286,100</u>	<u>349,366</u>	<u>323,672</u>	<u>(25,694)</u>
Expenditures				
Public Safety				
Collection Fees	8,500	8,500	8,375	125
Equipment Rental	500	-	-	-
Insurance	15,000	21,000	21,394	(394)
Election Fees	500	270	268	2
Miscellaneous	6,300	5,690	5,108	582
Office Expenses	1,850	4,300	3,583	717
Payroll Taxes	6,000	6,000	6,261	(261)
Professional Fees	14,500	12,440	11,860	580
Repairs and Maintenance	25,000	40,000	30,368	9,632
Sheriff's Pension Fund	7,700	8,000	7,966	34
Supplemental Pay Expense	-	6,000	6,000	-
Supplies & Small Equipment	15,000	12,000	15,789	(3,789)
Telephone & Utilities	16,500	16,200	16,002	198
Training	7,000	6,500	6,441	59
Uniforms	1,000	2,500	2,440	60
Vehicle Expenses	15,000	12,000	11,863	137
Wages	70,000	70,000	73,328	(3,328)
Capital Outlay	17,000	275,631	279,003	(3,372)
Debt Service:				
Lease Principal Payments	48,400	24,400	24,472	(72)
Lease Interest Payments	9,000	9,000	8,895	105
Total Expenditures	<u>284,750</u>	<u>540,431</u>	<u>539,416</u>	<u>1,015</u>
Excess (Deficiency) of Revenues over Expenditures	1,350	(191,065)	(215,744)	(24,679)
Other Financing Sources:				
Proceeds from Capital Lease	-	191,131	193,131	2,000
Total Other Financing Sources	<u>-</u>	<u>191,131</u>	<u>193,131</u>	<u>2,000</u>
Net Change in Budgetary Fund Balance	1,350	66	(22,613)	(22,679)
Budgetary Fund Balance - January 1	122,383	159,689	159,689	-
Budgetary Fund Balance - December 31	<u>\$ 123,733</u>	<u>\$ 159,755</u>	<u>\$ 137,076</u>	<u>\$ (22,679)</u>

See independent auditor's report.

Other Supplemental Information

**Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana**

Schedule 2

**Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2020**

Agency Head Name: Danielle Lessard, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 27,190
Travel	1,464
Registration Fees	-
Reimbursements	1,996
	<u>\$ 30,650</u>

See independent auditor's report.

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

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A P R O F E S S I O N A L A C C O U N T I N G C O R P O R A T I O N

**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. 9
Maurepas, 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. 9, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Livingston Parish Fire Protection District No. 9's basic financial statements, and have issued our report thereon dated May 11, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Livingston Parish Fire Protection District No. 9'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. 9's internal control. Accordingly, we do not express an opinion on the effectiveness of the Livingston Parish Fire Protection District No. 9'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 the Livingston Parish Fire Protection District No. 9's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
May 11, 2021

**Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended December 31, 2020**

We have audited the basic financial statements of the Livingston Parish Fire Protection District No. 9 as of and for the year ended December 31, 2020, and have issued our report thereon dated May 11, 2021. 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, 2020 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, No

b. Federal Awards

Not Applicable

Was a management letter issued? No

**Livingston Parish Fire Protection District No. 9
Maurepas, Louisiana**

**Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2020**

2019-1 Error on Calculating Time Cards and Employee Personnel Files

Condition:

During our testing of payroll, we noted one payroll transactions that listed more time worked on the paystub then calculated on the time sheets. We also noted that the employees did not have their approved rate of pay documented in its personnel files.

Recommendation:

We recommend management to be more cautious when calculating time cards. We also recommend a board member to match the time cards with the paystubs as well as management.

We also recommend management include in each employee's file (1) the employment application form that includes background information (employee's name, address, date of birth, emergency contact) and work experience of the employee; (2) the approved starting salary or rate of pay amount; (3) the Federal Employee's Withholding Allowance Certificate Form W-4 and Louisiana Employee Withholding Exemption Certificate Form L-4; (4) approved salary or hourly pay rate increases/decreases; (5) employee authorized deductions (e.g., insurance, deferred compensation plan); (6) performance appraisals; (7) promotions; and (8) disciplinary actions.

Resolved: Fully

Compliance

2019-2 State Supplemental Pay

Condition:

The District is not including firemen's state supplemental salaries in its calculation of payroll.

Recommendation:

We recommend management to begin including any firemen's state supplemental pay into its paycheck when calculating payroll.

Resolved: Fully

This schedule was prepared by management.