

**LIVINGSTON PARISH FIRE PROTECTION DISTRICT No.7  
LIVINGSTON, LOUISIANA**

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**ANNUAL FINANCIAL STATEMENTS**

**As of and for the Year Ended December 31, 2019**



**PHIL HEBERT  
CERTIFIED PUBLIC ACCOUNTANT  
A PROFESSIONAL ACCOUNTING CORPORATION**

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
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As of and for the Year Ended December 31, 2019

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## Phil Hebert, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

### Independent Accountant's Review Report

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

We have reviewed the accompanying financial statements of the governmental activities and the general fund of the Livingston Parish Fire Protection District No. 7, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### Management's Responsibility for the Financial Statements

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

#### Accountant's Responsibility

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

#### Accountant's Conclusion

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

#### Other Matter Paragraphs

##### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule on page 22 be presented to supplement the basic financial statements. Such information, although not a part of

the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on it.

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

Supplementary Information

The accompanying supplementary information contained in the Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

*Phil Hebert*

Phil Hebert, CPA  
A Professional Accounting Corporation  
Albany, Louisiana  
June 22, 2020

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## **Basic Financial Statements**

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
Statement of Net Position  
December 31, 2019

**Exhibit A**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 26,883
Receivables:	
Ad Valorem Tax	120,206
User Fee	42,272
State Revenue Sharing	5,967
Allowance for Uncollectible Taxes	(3,300)
Capital Assets, Net of Related Depreciation	<u>305,657</u>
Total Assets	<u>497,685</u>
<b>Liabilities</b>	
Accounts Payable and Accrued Expenses	16,531
Deductions from Ad Valorem Taxes Payable	9,795
Capital Lease Obligation:	
Short-Term	23,463
Long-Term	<u>112,393</u>
Total Liabilities	<u>162,182</u>
<b>Net Position</b>	
Net Investment in Capital Assets	169,801
Unrestricted	<u>165,702</u>
Total Net Position	<u>\$ 335,503</u>

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
**Statement of Activities**  
**For the Year Ended December 31, 2019**

**Exhibit B**

	General Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position Governmental Activities
<b>Governmental Activities:</b>			
Public Safety	\$ 137,244	\$ -	\$ (137,244)
Debt Service Interest	2,235	-	(2,235)
Depreciation Expense	50,087	-	(50,087)
Total Governmental Activities	\$ 189,566	\$ -	(189,566)
 <b>General Revenues:</b>			
Ad Valorem Taxes			120,206
Fire Insurance Premium Rebate			24,802
User Fee			42,272
State Revenue Sharing			5,967
VFIS Claim Check			18,500
Other Income			4,167
Total General Revenues			215,914
 Change in Net Position			 26,348
 <b>Net Position - Beginning of the Year</b>			 309,155
<b>Net Position - End of the Year</b>			<b>\$ 335,503</b>

See accompanying notes and independent accountant's review report.



**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
 Governmental Fund Balance Sheet  
 For the Year Ended December 31, 2019

**Exhibit C**

	<u>General Fund</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 26,883
Receivables:	
Ad Valorem Tax	120,206
User Fee	42,272
State Revenue Sharing	5,967
Allowance for Uncollectible Taxes	(3,300)
<b>Total Assets</b>	<b>\$ 192,028</b>
<b>Liabilities and Fund Balance</b>	
Liabilities:	
Accounts Payable and Accrued Expenses	\$ 16,531
Deductions from Ad Valorem Taxes Payable	9,795
<b>Total Liabilities</b>	26,326
Fund Balance:	
Unassigned	165,702
<b>Total Fund Balance</b>	<b>165,702</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 192,028</b>

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
Reconciliation of the Governmental Fund Balance Sheet to the  
Government-Wide Statement of Net Position  
For the Year Ended December 31, 2019

**Exhibit D**

**Total Fund Balances, Governmental Fund (Exhibit C)** \$ 165,702

Amounts reported for governmental activities in the statement of net assets 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 305,657

Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:

Capital Lease Obligations - Short-Term (23,463)  
Capital Lease Obligations - Long-Term (112,393)

**Net Position of Governmental Activities (Exhibit A)** **\$ 335,503**

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
Statement of Governmental Fund Revenues, Expenditures, and  
Change in Fund Balance  
For the Year Ended December 31, 2019

**Exhibit E**

	<u>General Fund</u>
<b>Revenues:</b>	
Ad Valorem Taxes	\$ 120,206
Fire Insurance Premium Rebate	24,802
User Fee	42,272
State Revenue Sharing	5,967
VFIS Claim Check	18,500
Other Income	4,167
Total Revenues	215,914
<b>Expenditures:</b>	
Public Safety:	
Bad Debts	2,582
Fire Prevention	1,183
Insurance	30,528
Miscellaneous	8,768
Payroll Expenses	15,717
Pension & Collection Fees	9,795
Professional Fees	7,894
Repairs and Maintenance	2,837
Station Maintenance	1,588
Supplies & Small Equipment	7,246
Telephone & Utilities	7,064
Uniforms & Gear	6,188
Fire Management Solutions	4,750
Vehicle Expenses	31,104
Capital Outlay	150,298
Debt Service:	
Lease Principal Payments	31,087
Interest	2,235
Total Expenditures	320,864
Excess (Deficiency) of Revenues over Expenditures	(104,950)
<b>Other Financing Sources:</b>	
Proceeds from Capital Lease	108,000
Total Other Financing Sources	108,000
Net Change in Fund Balance	3,050
<b>Fund Balance - Beginning of the Year</b>	<b>162,652</b>
<b>Fund Balance - End of the Year</b>	<b>\$ 165,702</b>

See accompanying notes and independent accountant's review report.

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

**Exhibit F**

**Livingston, Louisiana**

**Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and  
Change in Fund Balance to the Government-Wide Statement of Activities  
For the Year Ended December 31, 2019**

**Net Change in Fund Balance, Governmental Fund (Exhibit E)** \$ 3,050

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

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

Capital Outlay	150,298
Depreciation Expense	(50,087)

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

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

Proceeds	(108,000)
Repayments	<u>31,087</u>

**Change in Net Position of Governmental Activities (Exhibit B)** \$ 26,348

See accompanying notes and independent accountant's review report.

## Livingston Parish Fire Protection District No. 7

### Livingston, Louisiana

Notes to the Financial Statements  
For the Year Ended December 31, 2019

#### **Narrative Profile**

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

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

#### **1. Summary of Significant Accounting Policies**

##### **A. Financial Reporting Entity**

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

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

##### **B. Fund Accounting**

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

##### *Governmental Funds*

Governmental funds account for all of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the District.

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

**Livingston, Louisiana**

**Notes to the Financial Statements (Continued)**

**For the Year Ended December 31, 2019**

The following is the District's governmental fund:

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

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

*Basic Financial Statements - Government-Wide Financial Statements*

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

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

The District does not allocate indirect expenses.

*Basic Financial Statements - Governmental Funds*

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations.

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

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

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2019

The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Ad valorem tax revenue, state revenue sharing revenue, and interest revenue are recorded when due. Substantially all other revenues are recorded when received.

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

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

D. Budgets and Budgetary Accounting

Budgetary procedures applicable to the District are defined in State law, LRS 39:1301-1315. The District adopted an operating budget for its General Fund for the fiscal year ended December 31, 2019. The budget for this fund is adopted on the cash basis of accounting. The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Chairman prepares a proposed budget and submits it to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal. The proposed expenditures were less than \$500,000, therefore, a public hearing was not required.
2. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on January 9, 2019, and amended on December 9, 2019.
3. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.

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

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2019

4. Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting. All budgets are presented on the cash basis of accounting. Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with a basis consistent with the legally adopted budgets, as amended. The amounts are reconciled to the amounts reflected in the accompanying basic financial statements as follows:

Net Change in Fund Balance (Exhibit E)	\$ 3,050
Add: Prior Year Receivables	142,606
Current Year Payables	26,326
Increase in Allowance Account	500
Less: Current Year Receivables	168,445
Prior Year Payables	12,557
Net Change in Fund Balance (Schedule 1)	<u>\$ (8,520)</u>

E. Cash, Cash Equivalents, and Investments

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

Investments for the District are stated at cost.

F. Receivables and Payables

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

*Property Taxes*

For the year 2019, taxes of 10.00 mills were levied on property within the District's boundaries. Total taxes levied were \$120,206. At December 31, 2019, the ad valorem tax receivable was \$120,206. Ad valorem taxes receivable at December 31, 2019, are recorded net of a 2.0% allowance for uncollectible taxes (\$2,400).

*User Fees*

For the year 2019, a user fee of \$32 was assessed on each household within the District's boundaries. Total user fees levied were \$42,272. At December 31, 2019, the user fee receivable was \$42,272. User fees receivable at December 31, 2019, are recorded net of a 2.0% allowance for uncollectible fees (\$900).

*State Revenue Sharing*

For the year 2019, the District received \$5,967 in Louisiana State Revenue Sharing. At December 31, 2019, state revenue sharing receivable totaled \$5,967. The District considers this



**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
Notes to the Financial Statements (Continued)  
For the Year Ended December 31, 2019

receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing.

G. Allowance for Uncollectible Accounts

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

H. Inventory

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

I. Prepaid Items

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

J. Capital Assets

Capital assets are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value at the date of donation. At December 31, 2019, the District did not have a formal capitalization policy establishing a capitalization / expense threshold.

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

K. Pension Plans

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

L. Long-Term Obligations

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

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

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

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2019

**M. Compensated Absences**

The District does not pay for vacation or sick leave, and, as a result, has no liability for compensated absences at December 31, 2019.

**N. Net Position**

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

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

**O. Fund Balance**

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

1. Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes due to enabling legislation, State or Federal laws, or externally imposed conditions by grantors, creditors, or citizens.
3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority).
4. Assigned Fund Balance – amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned Fund Balance – all amounts not included in other spendable categories.

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

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

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2019

As of December 31, 2019, the District did not have any nonspendable, restricted, committed, or assigned fund balances.

P. Estimates

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

**2. Stewardship, Compliance and Accountability**

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year-end. See Note 1-D regarding operating budgets. The District reported unfavorable variances in expenditures over appropriations for the fiscal year ended December 31, 2019.

B. Deposits and Investment Laws and Regulations

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

C. Deficit Fund Equity

As of December 31, 2019, the District's general fund did not have a deficit fund equity.

**3. Cash and Cash Equivalents**

As reflected on Statement A, the District has cash and cash equivalents totaling \$26,883 at December 31, 2019. These deposits are stated at cost, which approximates market. Under State law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The following is a summary of cash and cash equivalents at December 31, 2019, with the related federal deposit insurance and pledged securities.

Bank Balances:

Insured (FDIC Insurance)	\$	26,883
Uninsured and Uncollateralized		-
Total Deposits	\$	<u>26,883</u>

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

**Livingston, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2019

Under LRS 39:1229, deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities, plus the federal deposit insurance, must at all times equal the amount on deposit with the fiscal agent. The custodial bank must advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. The District does not have a deposit policy for custodial risk. As of December 31, 2019, the District was in compliance with State law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by the pledge of securities.

**4. Capital Assets**

Capital assets and depreciation activity as of and for the year ended December 31, 2019, are as follows:

	<u>Balance</u> <u>12/31/2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2019</u>
<b>Capital Assets Not Depreciated:</b>				
Land	\$ 45,872	\$ -	\$ -	\$ 45,872
Construction in Progress	44,936	28,370	-	73,306
Total Capital Assets Not Depreciated	<u>90,808</u>	<u>28,370</u>	<u>-</u>	<u>119,178</u>
<b>Other Capital Assets:</b>				
Buildings	50,000	-	-	50,000
Equipment / Vehicles	1,036,210	121,928	-	1,158,138
Infrastructure	33,196	-	-	33,196
Total Other Capital Assets	<u>1,119,406</u>	<u>121,928</u>	<u>-</u>	<u>1,241,334</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	33,176	1,230	-	34,406
Equipment / Vehicles	950,326	46,072	-	996,398
Infrastructure	21,266	2,785	-	24,051
Total Accumulated Depreciation	<u>1,004,768</u>	<u>50,087</u>	<u>-</u>	<u>1,054,855</u>
Other Capital Assets, Net	<u>114,638</u>	<u>71,841</u>	<u>-</u>	<u>186,479</u>
Totals	<u>\$ 205,446</u>	<u>\$ 100,211</u>	<u>\$ -</u>	<u>\$ 305,657</u>

Depreciation expense for the year ended December 31, 2019, totaled \$50,087.

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

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

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

Notes to the Financial Statements (Continued)  
For the Year Ended December 31, 2019

**5. Leases**

The District records items under capital leases as an asset and obligation in the financial statements. The following is a summary of long-term debt transactions of the District for the year ended December 31, 2019:

	Balance at 12/31/2018	Additions	Deletions	Balance at 12/31/2019	Due Within One Year
\$131,735 Capital Lease	\$ 19,839	\$ -	\$ 19,839	\$ -	\$ -
\$50,000 Capital Lease	39,104	-	11,248	27,856	9,735
\$108,000 Capital Lease	-	108,000	-	108,000	13,728
<b>Totals</b>	<b>\$ 58,943</b>	<b>\$ 108,000</b>	<b>\$ 31,087</b>	<b>\$ 135,856</b>	<b>\$ 23,463</b>

Lease obligations at December 31, 2019, is comprised of the following:

\$50,000 lease obligation dated July 20, 2018, with Government Capital Corporation, with interest at 5.1847%, payable in annual installments of principal and interest totaling \$11,328.43 through October 1, 2022. \$ 27,856

\$108,000 lease obligation dated October 31, 2019, with First Government Lease Co., with interest at 9.550%, payable in annual installments of principal and interest totaling \$16,355.99 through February 1, 2029. \$ 108,000

The following is a schedule by years of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2019:

2020	\$ 11,328	\$ 16,356	\$ 27,684
2021	11,328	16,356	27,684
2022	11,328	16,356	27,684
2023	-	16,356	16,356
2024	-	16,356	16,356
2025 - 2029	-	81,780	81,780
<b>Total Payments</b>	<b>33,984</b>	<b>163,560</b>	<b>197,544</b>
<b>Less: Interest</b>	<b>6,128</b>	<b>55,560</b>	<b>61,688</b>
	<b>\$ 27,856</b>	<b>\$ 108,000</b>	<b>\$ 135,856</b>

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
Notes to the Financial Statements (Continued)  
For the Year Ended December 31, 2019

**6. Levied Taxes**

Ad valorem taxes attach as an enforceable lien on property on January 1 each year. Taxes are levied by the District during the year, are billed to taxpayers, and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Livingston Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Livingston Parish Tax Assessor. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2019, the District levied 10.000 mills for a total tax levy of \$120,206 on taxable property valuation totaling \$12,020,600.

**7. Litigation and Claims**

There is no litigation pending against the District Court at December 31, 2019.

**8. Compensation Paid Board Members**

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

**9. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 22, 2020, and determined that there was one event to be disclosed.

In March 2020, the COVID-19 virus began spreading throughout the United States. On March 22, 2020, Louisiana Governor John Bel Edwards issued a stay-at-home order limiting person-to-person contact and closing many non-essential businesses. The effects of this, however, are mitigated due to the Livingston Parish Fire Protection District No.7's revenues being comprised primarily of property taxes, which were collected early in calendar year 2020.

**Required Supplemental Information –  
Budgetary Comparison Schedule**

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts - Cash Basis	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 86,000	\$ 89,484	\$ 84,307	\$ (5,177)
Fire Insurance Premium Rebate	2,500	24,802	24,802	-
User Fee	36,500	36,423	41,600	5,177
State Revenue Sharing	6,000	5,967	5,858	(109)
VFIS Claim Check	-	18,500	18,500	-
LWCC Refund Check	-	-	1,679	1,679
Other Income	-	4,062	2,488	(1,574)
Total Revenues	<u>131,000</u>	<u>179,238</u>	<u>179,234</u>	<u>(4)</u>
<b>Expenditures:</b>				
Public Safety:				
Fire Prevention	2,000	1,000	1,069	(69)
Fire Management Solutions	-	-	4,750	(4,750)
Active 911	360	420	-	420
Insurance	26,000	26,235	24,331	1,904
Miscellaneous	5,000	5,000	7,056	(2,056)
Millage Renewal	250	225	-	225
Payroll Expenses	28,500	17,500	15,630	1,870
Professional Fees	4,000	7,500	7,894	(394)
Repairs and Maintenance	4,000	-	3,207	(3,207)
Station Maintenance	5,200	4,200	2,898	1,302
Supplies & Small Equipment	7,000	7,600	7,845	(245)
Telephone & Utilities	7,500	7,500	7,279	221
Uniforms & Gear	16,000	11,500	4,696	6,804
Vehicle Expenses	17,500	27,500	25,479	2,021
Capital Outlay	18,500	49,882	60,298	(10,416)
Debt Service:				
Lease Principal Payments	30,398	30,398	31,087	(689)
Interest	2,831	2,831	2,235	596
Total Expenditures	<u>175,039</u>	<u>199,291</u>	<u>205,754</u>	<u>(6,463)</u>
Excess (Deficiency) of Revenues over Expenditures	(44,039)	(20,053)	(26,520)	(6,467)
<b>Other Financing Sources:</b>				
Proceeds from Capital Lease	-	18,000	18,000	-
Total Other Financing Sources	<u>-</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Net Change in Budgetary Fund Balances	(44,039)	(2,053)	(8,520)	(6,467)
<b>Cash Fund Balance - January 1</b>	<u>34,305</u>	<u>34,305</u>	<u>35,403</u>	<u>1,098</u>
<b>Cash Fund Balance - December 31</b>	<u>\$ (9,734)</u>	<u>\$ 32,252</u>	<u>\$ 26,883</u>	<u>\$ (5,369)</u>

See independent accountant's review report.



## **Other Supplemental Information**

**Livingston Parish Fire Protection District No. 7**  
**Livingston, Louisiana**  
 Schedule of Compensation, Benefits, and Other Payments to Agency Head  
 For the Year Ended December 31, 2019

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

<b>Purpose</b>	<b>Amount</b>
Salary	\$ -
Benefits - Insurance	-
Benefits - Retirement	-
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	1,478
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<b>\$ 1,478</b>

See independent accountant's review report.

**Other Independent Accountant's Report**

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

MEMBER

American Institute of Certified Public Accountants  
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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  
Livingston Parish Fire Protection District No. 7  
Livingston, Louisiana

We have performed the procedures enumerated below, which were agreed to by Livingston Parish Fire Protection District No. 7 and the Louisiana Legislative Auditor on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

#### *Public Bid Law*

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

The District purchased a fire truck for \$90,000 off of state contract. The District purchased another Fire Truck for \$26,000. The District did not obtain three quotes.

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

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

Management provided us with the requested information.

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

Management provided us with the requested information.

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

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

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

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

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

#### *Budgeting*

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

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

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

We traced adoption of the original budget to documentation in the minutes of the meeting of the District's commissioners held on January 9, 2019 and the adoption of the amended budget on December 9, 2019.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted revenues. Expenditures and other financing uses for the year exceeded budgeted amounts by less than 5%.

#### *Accounting and Reporting*

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

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

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

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

Each of the six selected disbursements were coded to the correct fund and general ledger account.

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

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

#### *Meetings*

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

Management posted the agenda's for each meeting on the door to the fire station.

#### *Debt*

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

I examined bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness. The District entered into a capital lease in 2019. The Lease agreement contains wording that allows the District to cancel the lease should the District not have the funds in their budget.

*Advances and Bonuses*

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

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

*State Audit Law*

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

The District's report was submitted timely.

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

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

*Prior-Year Comments*

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

See Schedule of Prior Year Findings.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Phil Hebert*

Phil Hebert, CPA  
A Professional Accounting Corporation  
Albany, Louisiana  
June 22, 2020

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

**Schedule of Prior Year Findings  
December 31, 2019**

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

**Condition:**

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

**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.

**Resolved:**

See Schedule of Current Year Findings and Recommendations 2019-01

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

**Schedule of Current Year Findings and Recommendations  
For the Year Ended December 31, 2019**

**2019-01 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, 2019 was not adopted until after December 31, 2018.

**Cause:**

This was an oversight by management.

**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's 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. The District adopted the 2020 budget prior to the start of the fiscal year. Board President, Donald Sibley is the responsible party (225) 698-1327.

**2019-02 Public Bid Law**

**Criteria:**

According to R.S 2212.1(A)(1)(b) materials and supplies for "purchases of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three quotes by telephone, facsimile, email, or any other printable electronic form.

**Condition:**

The District purchased a used fire truck for \$26,000. The District did obtain three quotes.

**Cause:**

This was an oversight by management.

**Effect:**

The District was in violation of the Public Bid Law.

**Recommendation:**

We recommend the District to obtain three quotes by telephone, facsimile, email, or any other printable electronic form for materials and supplies for purchases of ten thousand dollars or more, but less than thirty thousand dollars. We also recommend the District to seek guidance from the Louisiana Legislative Auditor's website for Public Bid Law Summary Frequently Asked Questions.



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

**Schedule of Current Year Findings and Recommendations  
For the Year Ended December 31, 2019**

**Management's Response:**

Management agrees with the finding. Board President, Donald Sibley is the responsible party (225) 698-1327.

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

6-8-2020 (Date Transmitted)

Phil Hebert CPA  
PO Box 1151  
Ponchatoula LA 70454

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

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

6-8-2020

**Public Bid Law**

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

Yes [ x ] No [ ]

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

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

**Budgeting**

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

Yes [ x ] No [ ]

**Accounting and Reporting**

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

Yes [ x ] No [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:483 where applicable.

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

**Meetings**

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

Yes [ x ] No [ ]

**Debt**

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

Yes [ x ] No [ ]

**Advances and Bonuses**

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

Yes [ x ] No [ ]

**Prior-Year Comments**

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

Yes [ x ] No [ ]

**General**

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

<u><i>Wm. G. Gault</i></u>	Secretary	<u><i>Wm. G. Gault</i></u>	Date
<u><i>Charles P. Thompson</i></u>	Treasurer	<u><i>6-8-2020</i></u>	Date
<u><i>Donald L. Johnson</i></u>	President	<u><i>6-8-2020</i></u>	Date