

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

**ANNUAL FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
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As of and For the Year Ended December 31, 2017

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## Independent Auditor's Report

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

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

We have audited the accompanying financial statements of the governmental activities and the general fund of the Livingston Parish Fire Protection District No. 4, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Livingston Parish Fire Protection District No. 4's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of Livingston Parish Fire Protection District No. 4, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of the District's proportionate share of the net pension liability, and the schedule of the District's contributions on pages 27, 28, and 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

*Other Information*

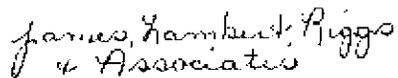
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and are not a required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

The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Livingston Parish Fire Protection District No. 4  
June 11, 2018

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2018, on our consideration of the Livingston Parish Fire Protection District No. 4's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Livingston Parish Fire Protection District No. 4's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Livingston Parish Fire Protection District No. 4's internal control over financial reporting and compliance.



James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

June 11, 2018

## **Basic Financial Statements**

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
**Statement of Net Position**  
**December 31, 2017**

Exhibit A

	Governmental Activities
<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,604,829
Investments	1,106,560
Taxes Receivable, Net	2,232,145
User Fee Receivable, Net	722,108
State Revenue Sharing Receivable	49,700
Other Receivables	112
Prepaid Insurance	41,282
Land	684,144
Capital Assets, Net	<u>5,315,850</u>
<b>Total Assets</b>	<b><u>\$ 11,756,730</u></b>
<b>Deferred Outflows of Resources</b>	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 100,267
Changes in Assumptions	48,748
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	614,742
Contributions Subsequent to the Measurement Date	<u>95,624</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 859,381</u></b>
<b>Liabilities</b>	
Accounts Payable	\$ 256,367
Accrued Liabilities	51,766
Accrued Vacation	5,955
Net Pension Liability	<u>1,165,503</u>
<b>Total Liabilities</b>	<b><u>\$ 1,479,591</u></b>
<b>Deferred Inflows of Resources</b>	
Differences Between Expected and Actual Experience	\$ 64,997
Changes in Assumptions	278
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	<u>2,784</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 68,059</u></b>
<b>Net Position</b>	
Net Investment in Capital Assets	\$ 5,315,850
Unrestricted	<u>5,752,611</u>
<b>Total Net Position</b>	<b><u>\$ 11,068,461</u></b>

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

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
**Statement of Activities**  
**For the Year Ended December 31, 2017**

Exhibit B

	<u>Governmental Activities</u>
<b>Expenses:</b>	
Public Safety - Fire Protection:	
Salaries & Related Benefits	\$ 1,748,587
Depreciation	481,435
Insurance	442,680
Collection Fees	183,117
Repairs & Maintenance	156,231
Fuel & Oil	60,556
Professional Fees	131,066
Supplies	42,498
Utilities	78,128
Bad Debts	35,156
Telephone	39,669
Maintenance Contracts	32,921
Miscellaneous	22,503
Office Supplies & Postage	42,521
Training	3,121
Dues & Subscriptions	8,354
Total Program Expenses	<u>3,508,543</u>
<b>Program Revenues:</b>	
Operating Grants	<u>-</u>
Total Program Revenues	<u>-</u>
Net Program (Expense) / Revenue	(3,508,543)
<b>General Revenues:</b>	
Ad Valorem Taxes	2,327,965
User Fees	748,305
Fire Insurance Rebate	221,178
State Revenue Sharing	152,749
On Behalf Payments - State Supplemental Pay	58,384
Flood Insurance Reimbursement	156,088
Other Revenues	68,417
Contributions from Non-Employer Contributing Entities	51,466
Total General Revenues	<u>3,784,552</u>
Change in Net Position	276,009
<b>Net Position - Beginning of Year</b>	<u>10,792,452</u>
<b>Net Position - End of Year</b>	<u>\$ 11,068,461</u>

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

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
Governmental Fund Balance Sheet  
December 31, 2017

Exhibit C

<b>Assets</b>	<u>General Fund</u>
Cash and Cash Equivalents	\$ 1,604,829
Investments	1,106,560
Taxes Receivable, Net	2,232,145
User Fee Receivable, Net	722,108
State Revenue Sharing Receivable	49,700
Other Receivables	<u>112</u>
<b>Total Assets</b>	<b>\$ <u>5,715,454</u></b>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities:</b>	
Accounts Payable	\$ 256,367
Accrued Liabilities	<u>51,766</u>
<b>Total Liabilities</b>	<b><u>308,133</u></b>
<b>Fund Balance:</b>	
Unassigned	<u>5,407,321</u>
<b>Total Fund Balance</b>	<b><u>5,407,321</u></b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>5,715,454</u></b>

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

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
 Reconciliation of the Governmental Fund Balance Sheet to the  
 Government-Wide Statement of Net Position  
 December 31, 2017

Exhibit D

<b>Total Governmental Fund Balance (Exhibit C)</b>	<b>\$ 5,407,321</b>
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Amounts reported for governmental activities in the statement of net position are different because:

Prepaid insurance is not available to pay for current-period expenditures and, therefore, is not reported in the funds.	41,282
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,999,994
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Long-term liabilities, bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Accrued Vacation	(5,955)
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In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in the governmental funds.

Net Pension Liability	(1,165,503)
Deferred Outflows of Resources	859,381
Deferred Inflows of Resources	<u>(68,059)</u>

<b>Net Position of Governmental Activities (Exhibit A)</b>	<b><u>\$ 11,068,461</u></b>
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The accompanying notes are an integral part of these financial statements.

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
Statement of Governmental Fund Revenues, Expenditures, and  
Change in Fund Balance  
For the Year Ended December 31, 2017

Exhibit E

	General Fund
<b>Revenues:</b>	
Ad Valorem Taxes	\$ 2,327,965
User Fees	748,305
Fire Insurance Rebate	221,178
State Revenue Sharing	152,749
On Behalf Payments - State Supplemental Pay	58,384
Interest	22,664
Other Revenues	45,753
Total Revenues	3,576,998
 <b>Expenditures:</b>	
Public Safety - Fire Protection:	
Salaries & Related Benefits	1,594,073
Insurance	442,680
Collection Fees	183,117
Repairs & Maintenance	156,231
Fuel & Oil	60,556
Professional Fees	131,066
Supplies	42,498
Utilities	78,128
Bad Debts	35,156
Telephone	39,669
Maintenance Contracts	32,921
Office Supplies & Postage	42,521
Training	3,121
Dues & Subscriptions	8,354
Miscellaneous	22,503
Capital Outlay	92,983
Total Expenditures	2,965,577
Excess of Revenues over Expenditures	611,421
 Other Financing Sources:	
Flood Insurance Reimbursements - FEMA	156,088
Total Other Financing Sources	156,088
 Net Change in Fund Balance	 767,509
 <b>Fund Balance - Beginning of the Year</b>	 4,639,812
<b>Fund Balance - End of the Year</b>	<b>\$ 5,407,321</b>

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

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

Exhibit F

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and  
Change in Fund Balance to the Government-Wide Statement of Activities  
For the Year Ended December 31, 2017

<b>Net Change in Fund Balance, Governmental Fund (Exhibit E)</b>	\$	767,509
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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		92,983
Depreciation Expense		(481,435)

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

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

Net Change in Pension Expense		(154,514)
Contributions from Non-Employer Contributing Entities		<u>51,466</u>

<b>Change in Net Position of Governmental Activities (Exhibit B)</b>	\$	<u>276,009</u>
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The accompanying notes are an integral part of these financial statements.

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

**Walker, Louisiana**

Notes to Financial Statements

For the Year Ended December 31, 2017

**Narrative Profile**

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

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

**1. Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

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

**B. Fund Accounting**

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

*Governmental Funds*

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

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

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

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2017

C. Measurement Focus / Basis of Accounting

*Basic Financial Statements – Government-Wide Financial Statements*

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

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

The District does not allocate indirect expenses.

*Basic Financial Statements – Governmental Funds*

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

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

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

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

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2017

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 funds 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 funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

**D. Budgets and Budgetary Accounting**

The District adopted an operating budget for its General Fund for the fiscal year ended December 31, 2017. The budget for this fund is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Fire Chief prepares a proposed budget and submits same to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. Once a public hearing is held and all of the action necessary to finalize and implement the budget is completed, the budget is adopted through the passage of a resolution prior to the commencement of the fiscal year for which the budget is adopted.

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

**E. Deposits and Investments**

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

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

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

Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2017

**F. Receivables and Payables**

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

*Property Taxes*

For the year 2017, taxes of 10.00 mills were levied on property within the District's boundaries. Total taxes levied were \$2,327,965. At December 31, 2017, the ad valorem tax receivable was \$2,325,151. Ad valorem taxes receivable at December 31, 2017, are recorded net of a 4.0% allowance for uncollectible taxes (\$93,006).

*User Fees*

For the year 2017, a user fee of \$32 was assessed on each household within the District's boundaries. Total fees levied were \$748,305. At December 31, 2017, the user fee receivable was \$748,305. User fees receivable at December 31, 2017, are recorded net of a 3.5% allowance for uncollectible fees (\$26,197).

*State Revenue Sharing*

For the year 2017, the District received \$152,749 in Louisiana State Revenue Sharing. At December 31, 2017, state revenue sharing receivable totaled \$49,700. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing.

**G. Prepaid Items**

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

**H. Capital Assets**

Capital assets are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value at the date of donation. At December 31, 2017, the District did not have a formal capitalization policy establishing a capitalization / expense threshold.

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

**I. Compensated Absences**

At December 31, 2017, the District has no plan or provision for compensated absences, pension plan, or other post employment benefits. Vacation time cannot be accumulated and must be taken by the end of the year. There is no provision for leave carryover; therefore, leave accruals are not necessary.

Livingston Parish Fire Protection District No. 4

Walker, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2017

J. Long-Term Obligations

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

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

K. Net Position

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

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

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

L. Fund Balance

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

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

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

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2017

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

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

As of December 31, 2017, the District did not have any nonspendable, committed, or assigned fund balances.

M. Estimates

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

**2. Stewardship, Compliance and Accountability**

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year-end. See Note 1-D regarding operating budgets. The District complied with the Louisiana Local Government Budget Act in adopting its budget for the year ended December 31, 2017. The District reported favorable variances in expenditures over appropriations for the fiscal year ended December 31, 2017.

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, 2017, the District's general fund did not have a deficit fund equity.

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

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2017

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

As reflected on Exhibit A, the District has cash and cash equivalents totaling \$1,604,829 and investments totaling \$1,106,560 at December 31, 2017. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The following is a summary of cash and investments at December 31, 2017, with the related federal deposit insurance and pledge securities:

Bank Balances:	
Insured (FDIC Insurance)	\$ 250,000
Uninsured and Collateralized:	
Collateral held by pledging bank's trust department not in the District's name	1,366,490
Uninsured and Uncollateralized	<u>-</u>
Total Deposits	<u>\$ 1,616,490</u>

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of December 31, 2017, the District was in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

At December 31, 2017, the District's investment balances are as follows:

	Reported Amount	Fair Value
Louisiana Asset Management Pool:		
Operating Fund	\$ 1,001,075	\$ 1,001,075
Capital Outlay Fund	<u>105,485</u>	<u>105,485</u>
Total	<u>\$ 1,106,560</u>	<u>\$ 1,106,560</u>

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

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

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2017

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

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

Credit Risk: LAMP is rated AAA by Standard & Poor's.

Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of Credit Risk: Pooled investments are excluded from the 5% disclosure requirement.

Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments was 48 days as of September 27, 2016.

Foreign Currency Risk: Not applicable to 2a7-like pools.

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

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

**4. Receivables**

Receivables represent revenues earned in 2017 and received in 2018 as follows:

Property Tax Receivable	\$ 2,325,151
User Fees Receivable	748,305
State Revenue Sharing Receivable	49,700
Other Receivable	112
Allowance for Uncollectible Tax	<u>(119,203)</u>
Receivables at December 31, 2017, Net	<u>\$ 3,004,065</u>

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

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

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2017

**5. Capital Assets**

Capital assets and depreciation activity as of and for the year ended December 31, 2017, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 663,421	\$ 20,723	\$ -	\$ 684,144
Total Capital Assets Not Being Depreciated	663,421	20,723	-	684,144
Other Capital Assets:				
Furniture & Fixtures	1,949,592	24,471	-	1,974,063
Buildings	3,227,071	47,789	-	3,274,860
Equipment / Vehicle	5,182,382	-	-	5,182,382
Total Other Capital Assets	10,359,045	72,260	-	10,431,305
Less Accumulated Depreciation:				
Furniture & Fixtures	(1,523,834)	(110,561)	-	(1,634,395)
Buildings	(619,985)	(89,199)	-	(709,184)
Equipment / Vehicle	(2,490,201)	(281,675)	-	(2,771,876)
Total Accumulated Depreciation	(4,634,020)	(481,435)	-	(5,115,455)
Total Other Capital Assets, Net	5,725,025	(409,175)	-	5,315,850
Total	<u>\$ 6,388,446</u>	<u>\$ (388,452)</u>	<u>\$ -</u>	<u>\$ 5,999,994</u>

Depreciation expense for the year ended December 31, 2017, totaled \$481,435.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

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

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

Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2017

**6. Accounts Payable**

Accounts payables at December 31, 2017, are as follows:

Vendor and Other Payables	\$ 46,052
Tax Collector Fees Payable	89,797
Pension Fund Deduction Payable	90,586
User Fees Assessment Charges	<u>29,932</u>
Total	<u>\$ 256,367</u>

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

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

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

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

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

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

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

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2017

Contributions – Per Act 434 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year. Employees are required to contribute 10% of their annual pay. The District’s contractually required contribution rate for the year ended December 31, 2017, was 25.25% for the period January 2017 through June 2017 and 26.50% for the period July 2017 through December 2017. Contributions to the Fire System from the District were \$167,779 for the year ended December 31, 2017.

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

At December 31, 2017, the District reported a liability of \$1,165,503 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on a projection of the District’s December 31, 2017, contributions to the pension plan, relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District’s proportion was 0.203338%, which was an increase of 0.083262% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the District recognized pension expense of \$154,514. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 64,997
Changes of Assumptions	48,748	278
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	100,267	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	614,742	2,784
District Contributions Subsequent to the Measurement Date	95,624	-
	\$ 859,381	\$ 68,059

\$95,624 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	
December 31, 2018	161,732
December 31, 2019	181,810
December 31, 2020	137,321
December 31, 2021	62,933
December 31, 2022	90,430
Thereafter	64,256

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

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2017

Actuarial Assumptions – The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	7.4% per annum (net of fees)
Estimated Remaining Service Life	7 Years
Inflation	2.775% per annum
Salary Increases	Vary from 15.0% in the first two years of service to 4.75% after 25 years
Cost of Living Adjustments	Only those previously granted

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

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	<u>Asset Type</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	U.S. Equity	27.00%	6.15%
	Non-U.S. Equity	20.00%	7.45%
	Global Equity	10.00%	6.85%
Fixed Income	Fixed Income	23.00%	2.04%
Alternatives	Real Estate	6.00%	4.62%
	Private Equity	4.00%	8.73%
	Global Tactical		
Multi-Asset Strategies	Asset Allocation	5.00%	4.40%
	Risk Parity	5.00%	4.79%

Discount Rate – The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and PRSAC taking into consideration the recommendation of the Fire System’s actuary. Based on those

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

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2017

assumptions, the Fire System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

– The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.40%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.40%) or one percentage-point higher (8.40%) than the current rate:

	1.0% Decrease (6.4%)	Current Discount Rate (7.4%)	1.0% Increase (8.4%)
District's Proportionate Share of the Net Pension Liability	\$ 1,674,782	\$ 1,165,503	\$ 737,380

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

Payables to the Pension Plan – As of December 31, 2017, the District had payables totaling \$20,596 due to the System, which represents the employee and employer’s share of the December 2017 contributions.

**8. Deferred Compensation Plan**

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

During 2017, the District’s rate of contribution to the plan was 11.8% of gross wages. The District’s total contributions made to the plan were \$2,435 for the year ended December 31, 2017.

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

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2017

**9. Tax Abatement Program**

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. For the District, there are currently abatements, related to four (4) companies under the Louisiana ITEP. For the 2017 calendar year, estimated forgone ad valorem taxes due to this abatement program was \$6,351 for the District.

**10. On-Behalf Payments**

Supplementary salary payments are made by the State of Louisiana directly to certain District employees. The District is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is actual contributions made by the State. For the fiscal year ended December 31, 2017, the State paid supplemental salaries to the District's employees in the amount of \$58,384.

**11. Compensation Paid to Board Members**

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

Robert Dugas, Chairman	\$	-
Jeffrey S. Easley, Vice-Chairman		360
Darren L. Blevins, Board Member		270
Leslie A. Falks, Board Member		390
Joseph Blanchard, Board Member		330
Total	\$	<u>1,350</u>

**12. Contingent Liabilities**

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

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

**Walker, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2017

**13. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued June 11, 2018, and determined that no events occurred that require disclosure.

**Required Supplemental Information**

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

Schedule 1

**Walker, Louisiana**

Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 1,900,000	\$ 2,191,150	\$ 2,327,965	\$ 136,815
User Fees	675,000	734,275	748,305	14,030
Fire Insurance Rebate	200,000	221,178	221,178	-
State Revenue Sharing	130,000	149,089	152,749	3,660
On Behalf Payments	54,000	65,085	58,384	(6,701)
Interest	11,000	20,115	22,664	2,549
Other Revenues	30,100	45,723	45,753	30
Total Revenues	<u>3,000,100</u>	<u>3,426,615</u>	<u>3,576,998</u>	<u>150,383</u>
<b>Expenditures:</b>				
Public Safety - Fire Protection:				
Salaries & Related Benefits	1,766,750	1,565,180	1,594,073	(28,893)
Insurance	396,273	428,277	442,680	(14,403)
Collection Fees	210,000	204,609	183,117	21,492
Repairs & Maintenance	164,600	175,006	156,231	18,775
Fuel & Oil	65,900	59,000	60,556	(1,556)
Professional Fees	111,750	106,250	131,066	(24,816)
Supplies	91,500	53,005	42,498	10,507
Utilities	81,500	74,378	78,128	(3,750)
Bad Debts	-	-	35,156	(35,156)
Telephone	42,000	40,500	39,669	831
Maintenance Contracts	25,000	32,500	32,921	(421)
Office Supplies & Postage	21,250	45,050	42,521	2,529
Training	13,500	3,100	3,121	(21)
Dues & Subscriptions	13,500	9,625	8,354	1,271
Miscellaneous	24,050	22,752	22,503	249
Capital Outlay	555,000	77,568	92,983	(15,415)
Total Expenditures	<u>3,582,573</u>	<u>2,896,800</u>	<u>2,965,577</u>	<u>(68,777)</u>
Excess of Revenues over Expenditures	(582,473)	529,815	611,421	81,606
Other Financing Sources:				
FEMA Reimbursement	50,000	156,088	156,088	-
Net Change in Fund Balances	<u>(532,473)</u>	<u>685,903</u>	<u>767,509</u>	<u>81,606</u>
<b>Fund Balance:</b>				
Beginning of the Year	4,639,812	4,639,812	4,639,812	-
End of the Year	<u>\$ 4,107,339</u>	<u>\$ 5,325,715</u>	<u>\$ 5,407,321</u>	<u>\$ 81,606</u>

See independent auditor's report.

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

Schedule 2

Schedule of the District's Proportionate Share of the Net Pension Liability  
For the Year Ended December 31, 2017

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

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

See independent auditor's report.

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
 Schedule of the District's Contributions  
 For the Year Ended December 31, 2017

Schedule 3

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

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

See independent auditor's report.

**Other Supplemental Information:**

**Schedule of Compensation, Benefits, and Other Payments to  
Agency Head**

Livingston Parish Fire Protection District No. 4

Schedule 4

Walker, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head

For the Year Ended December 31, 2017

Agency Head: James Wascom, Fire Chief

Purpose	Amount
Salary	\$ 90,100
Benefits - Insurance	23,612
Benefits - Retirement	22,778
Deferred Compensation	-
Benefits - Other - Supplemental Pay	6,000
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	\$ 142,490

See independent auditor's report.

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

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

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Christie J. Barado  
Megan E. Lynch  
B. Jacob Steib  
Debbie G. Faust, EA  
Ramona K. Huckabee, EA



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& ASSOCIATES, INC.**  
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Member of  
American Institute of CPAs  
Society of Louisiana CPAs

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Livingston Parish Fire Protection District No. 4, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Livingston Parish Fire Protection District No. 4's basic financial statements, and have issued our report thereon dated June 11, 2018.

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

In planning and performing our audit of the financial statements, we considered Livingston Parish Fire Protection District No. 4's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Livingston Parish Fire Protection District No. 4's internal control. Accordingly, we do not express an opinion on the effectiveness of Livingston Parish Fire Protection District No. 4's internal control.

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

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

### **Compliance and Other Matters**

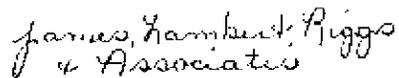
As part of obtaining reasonable assurance about whether Livingston Parish Fire Protection District No. 4's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

Livingston Parish Fire Protection District No. 4  
June 11, 2018

disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

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

James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

June 11, 2018

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
 Schedule of Findings, Recommendations, and Responses  
 For the Year Ended December 31, 2017

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Livingston Parish Fire Protection District No. 4 as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 11, 2018. Our audit of the basic financial statements resulted in an unmodified opinion.

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

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

**Internal Control:**

Material Weakness	___	Yes		X	No
Significant Deficiencies	___	Yes		X	No

**Compliance:**

Compliance Material to the Financial Statements	___	Yes		X	No
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**2. Management Letter**

Was a management letter issued?	___	Yes		X	No
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**Section II Financial Statement Findings**

**Internal Control over Financial Reporting**

None

**Compliance and Other Matters**

None

**Livingston Parish Fire Protection District No. 4**  
**Walker, Louisiana**  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2017

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>
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**Internal Control over Financial Reporting**

None

**Compliance and Other Matters**

None

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

**LIVINGSTON PARISH FIRE PROTECTION DISTRICT NO. 4**  
**STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Christie J. Barado  
Megan E. Lynch  
B. Jacob Steib  
Debbie G. Faust, EA  
Ramona K. Huckabee, EA



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



Member of  
American Institute of CPAs  
Society of Louisiana CPAs

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

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

We have performed the procedures enumerated below, which were agreed to by Livingston Fire Protection District No. 4 and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The District's management is responsible for those control and compliance areas identified in the SAUPs.

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

Our procedures and findings are detailed in Schedule "A"

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*James Lambert Riggs  
& Associates*

James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

June 11, 2018

**Written Policies and Procedures**

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial / business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

Results: We sighted the entity's policies and procedures for budgeting with no exceptions.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Results: We sighted the entity's policies and procedures for purchasing with no exceptions.

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

Results: We sighted the entity's policies and procedures for disbursements with no exceptions.

- d) **Receipts**, including receiving, recording, and preparing deposits

Results: We sighted the entity's policies and procedures for receipts with no exceptions.

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

Results: We sighted the entity's policies and procedures for payroll / personnel with no exceptions.

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

Results: We sighted the entity's policies and procedures for contracting with no exceptions.

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

Results: We sighted the entity's policies and procedures for credit cards with no exceptions.

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

Results: We sighted the entity's policies and procedures for travel and expense reimbursement with no exceptions.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

**Results:** We sighted the entity's policies and procedures for ethics with no exceptions.

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

**Results:** The entity did not have written policies and procedures for debt service.

**Board (or Finance Committee, if applicable)**

2. Obtain and review the board / committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

**Results:** Per a review of the minutes of the District for the period January 1, 2017 through December 31, 2017, the District met on a monthly basis.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

**Results:** Per a review of the minutes of the District for the period January 1, 2017 through December 31, 2017, the minutes referenced budget-to-actual comparisons on the District's major funds.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal / written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal / written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

**Results:** Per a review of the minutes of the District for the period January 1, 2017 through December 31, 2017, there were no periods of deficit spending during the fiscal period.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

**Results:** Per a review of the minutes of the District for the period January 1, 2017 through December 31, 2017, the District approved contracts and grant agreements in at least one meeting during the year.

**Bank Reconciliations**

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

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

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than five accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

**Results:** No exceptions were found as a result of applying the above procedures.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

**Results:** No exceptions were found as a result of applying the above procedures.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

**Results:** Two (2) of the four (4) bank accounts selected for the procedure above had outstanding items for more than 6 months as of the end of the fiscal period. Additionally, there was no documentation reflecting that management has researched the reconciling items on these two bank accounts.

**Collections**

5. Obtain a listing of cash / check / money order (cash) collection locations and management's representation that the listing is complete.

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

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than five locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are

compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

**Results:** Each person responsible for collecting cash is bonded. One of the two people responsible for collecting cash is responsible for making the deposit in the bank and recording the transaction, and does not reconcile the related bank account.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

**Results:** Management provided us with written documentation or reconciling cash collections to the general ledger. This daily reconciliation is performed by an individual not responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

**Results:** The highest week of cash collections had collections on only one (1) day and these collections were deposited within one (1) business day.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

**Results:** No exceptions were found as a result of applying the above procedures.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

**Results:** The entity has written policies and procedures for collections.

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort / filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

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

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card / debit card / fuel card / P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens / logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition / purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition / purchase order system.

Results: For the 25 transactions selected, no exceptions were found as a result of applying the above procedures.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Results: For the 25 transactions selected, one exception was found as a result of applying the above procedures, as the purchase order was approved by the Fire Chief, who was also the initiating individual.

- c) Payments for purchases were not processed without (1) an approved requisition and / or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Results: For the 25 transactions selected, no exceptions were found as a result of applying the above procedures.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing / disbursement system.

Results: The individuals responsible for processing payments are allowed to add vendors to the entity's purchasing / disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: The Fire Chief is allowed to initiate purchases and also has final authority over purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: No exceptions were found as a result of applying the above procedures.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

**Results:** No signature stamp or machine is utilized by the District.

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

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

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

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized cardholder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

**Results:** For the ten (10) cards selected, there was evidence that statements are reviewed and approved in writing by someone other than the cardholder for eight (8) of the cards. The other two (2) cards are in possession of and are reviewed by the cardholder who is the Fire Chief.

- b) Report whether finance charges and / or late fees were assessed on the selected statements.

**Results:** For the cards selected, no finance charges and / or late charges were assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased).

**Results:** For the cards selected, each had supporting itemized receipts for all transactions.

- Documentation of the business / public purpose. For meal charges, there should also be documentation of the individuals participating.

**Results:** All cards selected had supporting documentation of the business / public purpose, and all meal receipts contained documentation of the individuals participating.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.).

**Results:** No exceptions were found as a result of applying the above procedures.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing / disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

**Results:** No exceptions were found as a result of applying the above procedures. No transactions reviewed required the solicitation of bids or quotes.

- c) For each transaction, compare the entity's documentation of the business / public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Results:** No exceptions were found as a result of applying the above procedures. There were no violations of Article 7, Section 14 of the Louisiana Constitution.

### **Travel and Expense Reimbursement**

- 17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort / filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

**Results:** Management provided to us that there were no travel and related expense reimbursements during the fiscal period, nor were there any travel reimbursement items located with a search of the general ledger for the same period.

- 18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

**Results:** No exceptions were found as a result of applying the above procedures.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

**Results:** There were no travel or expense reimbursements during the period.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

**Results:** There were no travel or expense reimbursements during the period.

- Documentation of the business / public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

**Results:** There were no travel or expense reimbursements during the period.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

**Results:** There were no travel or expense reimbursements during the period.

- c) Compare the entity's documentation of the business / public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Results:** There were no travel or expense reimbursements during the period.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** There were no travel or expense reimbursements during the period.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort / filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results: Management provided us with a listing of all contracts in effect during the period January 1, 2017 through December 31, 2017, as well as management's representation that the listing is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal / written contract that supports the services arrangement and the amount paid.

Results: For the contracts selected, there was a formal / written contract that supported the services arrangement and the amount paid.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain / compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

Results: For the contracts selected, none were subject to the Louisiana Public Bid Law and all legal requirements were met.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Results: For the contracts selected, the District solicited quotes for one of the three contracts selected.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Results: For the contracts selected, none were amended.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the above procedures.

- e) Obtain / review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Results: For the contracts selected, all contracts were approved by the District's board.

**Payroll and Personnel**

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees / officials, obtain their personnel files, and:

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

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

**Results:** No exceptions were found as a result of applying the above procedures

- b) Review changes made to hourly pay rates / salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

**Results:** For the randomly selected employees, all changes to each employee's approved pay rates were approved in writing and in accordance with written policy. No exceptions were found as a result of applying the above procedures.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees / officials (or randomly select one-third of employees / officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees / officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his / her attendance and leave. However, if the elected official is earning leave according to policy and / or contract, the official should document his / her daily attendance and leave.)

**Results:** No exceptions were found as a result of applying the above procedures

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees / officials.

**Results:** No exceptions were found as a result of applying the above procedures

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees / officials that earn leave.

**Results:** For the twenty-five selected employees, documentation of leave records were maintained for all full-time employees.

24. Obtain from management a list of those employees / officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees / officials. Report whether the termination payments were made in strict accordance with policy and / or contract and approved by management.

**Results:** Management's representation reflected two terminated employees during the fiscal period. Termination payments were made in accordance with policy and approved by management.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

**Results:** No exceptions were found as a result of applying the above procedures

**Ethics (excluding nonprofits)**

26. Using the five randomly selected employees / officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

**Results:** For the randomly selected employees, all ethics compliance documentation was provided to us and the required ethics training was completed for all employees.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

**Results:** Per conversation with management, there were no alleged ethics violations reported during the fiscal period.

**Debt Service (excluding nonprofits)**

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

**Results:** The District had no debt issued during the period January 1, 2017 through December 31, 2017.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

**Results:** During the period January 1, 2017 through December 31, 2017, the District had no outstanding debt.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

**Results:** The District had no tax millages relating to debt service during the period January 1, 2017 through December 31, 2017.

**Other**

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain / review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Results:** Per conversation with management, the District had no misappropriations of public funds or assets during the fiscal period January 1, 2017 through December 31, 2017.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results:** No exceptions were found as a result of applying the above procedures

If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

**Results:** There were no exceptions regarding management's representations in the procedures above.

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



9760 Florida Blvd  
Walker, Louisiana 70785

<http://www.lpfpd4.com>

Monday, June 18, 2018

James Lambert Riggs  
& Associates, Inc.  
401 East Thomas Street  
Hammond, LA 70401

To Whom It May Concern:

The Livingston Parish Fire Protection District # 4 would like to present the following response to the findings of our recent SAUPs audit conducted by James, Lambert, Riggs & Associates Inc.

**2017-001: Debt Service Policy**

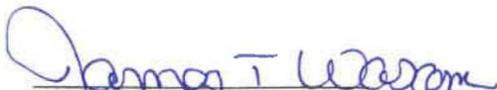
**AGENCY RESPONSE:** Livingston Parish Fire Protection District #4 has not incurred any debt and at the time of the audit had no debt service policy. A policy is in the process of being written and should be in place no later than July 31, 2018.

**2017-002: Bank Reconciliations**

**AGENCY RESPONSE:** Livingston Parish Fire Protection District #4 has several checks that have not been reconciled. All items have been researched and a letter has been prepared for each individual. The Fire Chief is in the process of contacting each individual to discuss the matter and determine if a new check will be written or if the monies will be donated back to the district. For those that cannot be contacted, those monies will be forwarded to the State of Louisiana.

**2017-003: Deposits**

**AGENCY RESPONSE:** Due to the size of the district's staff, having separate individuals to perform each function is not possible.

  
James T Wascom  
Fire Chief