
FIRE PROTECTION DISTRICT NO. 8 OF
LIVINGSTON PARISH
FINANCIAL STATEMENTS
DECEMBER 31, 2016

FIRE PROTECTION DISTRICT NO. 8 OF
LIVINGSTON PARISH

REVIEW REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Honorable Fire Chief, Alan Guitreau
Fire Protection District No. 8 of
Livingston Parish, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of Fire Protection District No. 8 of Livingston Parish (the District), Louisiana, as of and for the year ended December 31, 2016, and the related notes to the financial statement, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Fire Protection District No. 8 of Livingston, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

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

Accountants' Conclusion

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-8, are presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. We have not audited the required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Management has omitted the budgetary comparison schedule that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our review of the basic financial statements are not affected by this missing information.

Other Supplementary Information

The accompanying supplementary schedule of compensation, benefits, and other payments to agency head included on page 22 is presented only for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, do not express an opinion on such information.

Diéz, Dupuy & Ruiz
Gonzales, Louisiana
June 30, 2017

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016

This section of District's annual financial report presents our discussion and analysis of the District's financial performance during the year that ended on December 31, 2016.

FINANCIAL HIGHLIGHTS

- The District's total net position totaling \$676,595 increased 4.4 percent over the course of the year's operations compared to prior year.
- During the year, the District's expenses were \$28,300 less than the \$214,081 generated in ad valorem taxes and other revenue. The millage has increased from 16.63 in the prior year to 16.66 for the current year.
- The General fund reported a fund balance of \$408,893 at December 31, 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District government, reporting the District's operations in more detail than the government-wide statements.
 - The governmental fund statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Figure A-1
Major Features of District's Government-wide and Fund Financial Statements

	Government-wide Statements	Governmental Funds
Scope	Entire District Government	The activities of the District that include fire operations
Required financial statements	<ul style="list-style-type: none">• Statement of net position• Statement of activities	<ul style="list-style-type: none">• Balance Sheet• Statement of revenues, expenditures, and changes in fund balance
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the government's assets and liabilities. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position-the difference between the District's assets and liabilities - is one way to measure the District's financial health, or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District consist of one category:

- Governmental activities - most of the District's basic services are included here, such as the fire department and general administration. Ad valorem taxes finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant fund not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has only one kind of fund:

- Governmental fund - The District's basic services are included in the governmental fund, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is included on the subsequent page of the governmental fund statement, that explains the relationship (or differences) between them.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's net position was \$676,595 at the end of the calendar year. (See Table A-1.)

Table A-1
District's Net Position
Governmental Activities

	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 425,246	\$ 374,638
Capital assets	651,332	731,605
Total assets	<u>1,076,578</u>	<u>1,106,243</u>
Current liabilities	10,715	7,679
Long term liabilities	389,268	450,269
Total liabilities	<u>399,983</u>	<u>457,948</u>
Net position		
Net investment in capital assets	262,064	281,336
Unrestricted	<u>414,531</u>	<u>366,959</u>
Total net position	<u>\$ 676,595</u>	<u>\$ 648,295</u>

Net position of the District's governmental activities increased to \$676,595 or by 4.4 percent from prior year.

Net investment in capital assets accounts for approximately 38.7 percent of total net position reported as of December 31, 2016 and 43.4 percent of total net position reported as of December 31, 2015.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Governmental Activities

Revenues for the District's governmental activities were \$28,300 more than total expenses for year end.

Table A-2
Changes in District's Net Position
Governmental Activities

	<u>2016</u>	<u>2015</u>
Revenues		
Program revenues		
Charges for services	\$ -	\$ -
Grants	-	-
General revenues		
Taxes-Property	188,082	191,065
State revenue sharing	2,976	1,951
Fire insurance rebate	21,806	24,303
Miscellaneous	1,217	606
Total revenues	<u>214,081</u>	<u>217,925</u>
Expenses		
General government	171,480	157,489
Interest	14,301	8,585
Total expenses	<u>185,781</u>	<u>166,074</u>
Change in net position	<u>\$ 28,300</u>	<u>\$ 51,851</u>

Changes in net position

The District's total revenues decreased during 2016 to \$214,081 representing a decrease of \$3,844 from 2015. (See Table A-2.) Approximately 88 percent of the District's revenue in 2016 comes from property tax revenue. Property tax revenues decreased by 1.6 percent compared to prior year primarily due to current year reassessments.

The total cost of all programs and services \$185,781. The District's expenses cover all services performed by its office.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental fund reported a fund balance of \$408,893 which is an increase from last year of \$41,934.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

General Fund Budgetary Highlights

- A budget was not adopted for the year ended December 31, 2016.

CAPITAL ASSETS

At the end of 2016, the District had invested \$651,332, net of depreciation in a broad range of capital assets, including building and improvements, equipment, and vehicles. (See Table A-3)

Table A-3
District's Capital Assets
Governmental Activities

	<u>2016</u>	<u>2015</u>
Buildings and Improvements	104,610	104,610
Equipment	198,577	198,704
Vehicles	1,087,027	1,087,027
Less: Accumulated depreciation	(738,882)	(658,736)
Total	<u>\$ 651,332</u>	<u>\$ 731,605</u>

This year's major capital asset additions included:

- Various firefighting and computer equipment costing \$12,971.

LONG-TERM LIABILITIES

As of December 31, 2016, the District had capital lease obligations in the amounts of \$389,268.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District is dependent on ad valorem taxes for 88 percent of its revenues. The economy is not expected to generate any significant growth. Therefore, the District's future revenues are expected to be consistent with the current years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Alan Guitreau, P. O. Box 21, French Settlement, LA 70733.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH
STATEMENT OF NET POSITION
DECEMBER 31, 2016

ASSETS

Cash	\$ 236,243
Receivables, net	189,003
Capital assets, net of accumulated depreciation	<u>651,332</u>
TOTAL ASSETS	<u>\$ 1,076,578</u>

LIABILITIES

Accounts payable	\$ 3,293
Sheriff's pension fund payable	7,422
Long-term liabilities:	
Due within one year	43,508
Due in more than one year	<u>345,760</u>
TOTAL LIABILITIES	<u>399,983</u>

NET POSITION

Net investment in capital assets	262,064
Unrestricted	<u>414,531</u>
TOTAL NET POSITION	<u>676,595</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,076,578</u>

See independent accountants' review report and accompanying notes.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Grants</u>	<u>Governmental Activities</u>
<u>FUNCTIONS/PROGRAMS</u>				
Governmental:				
General Government	\$ 171,480	\$ -	\$ -	\$ (171,480)
Interest	14,301	-	-	(14,301)
Total governmental activities	<u>185,781</u>	<u>-</u>	<u>-</u>	<u>(185,781)</u>
General Revenues:				
Taxes - Property				188,082
State revenue sharing				2,976
Fire insurance premium rebate				21,806
Miscellaneous				<u>1,217</u>
Total general revenues				<u>214,081</u>
Change in net position				28,300
Net position - January 1, 2016				<u>648,295</u>
Net position - December 31, 2016				<u><u>\$ 676,595</u></u>

See independent accountants' review report and accompanying notes.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2016

ASSETS

Cash	\$ 236,243
Receivables, net	189,003
Total assets	\$ 425,246

LIABILITIES

Accounts payable	\$ 3,293
Sheriff's pension fund payable	7,422
Total liabilities	10,715

DEFERRED INFLOWS OF RESOURCES

Deferred property taxes	5,638
Total deferred inflows of resources	5,638

FUND BALANCE

Unassigned	408,893
Total liabilities and fund balance	\$ 425,246

See independent accountants' review report and accompanying notes.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016

Total fund balance - Governmental Fund \$ 408,893

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets, cost	1,390,214	
Less: accumulated depreciation	<u>(738,882)</u>	651,332

Some revenues will not be collected for sixty days after year end, thus they are not considered "available" revenues in the governmental fund.

Property taxes	5,638
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Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the governmental fund.

Capital lease payable	<u>(389,268)</u>
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Total net position at December 31, 2016 - Governmental Activities	<u><u>\$ 676,595</u></u>
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See independent accountants' review report and accompanying notes.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2016

REVENUE

Taxes-Property	\$	182,444
State revenue sharing		2,976
Fire insurance premium rebate		21,806
Miscellaneous		1,217
Total revenues		208,443

EXPENDITURES

Contract Labor		8,460
Dues and subscriptions		194
Insurance		30,480
Meals		646
Medical		684
Miscellaneous		5,936
Office Supplies		7,011
Printing and reproduction		1,631
Professional fees		3,615
Rental		420
Repairs		7,619
Sheriff's pension fund		7,422
Training		412
Utilities		3,706
Capital Outlay		12,971
<i>Debt Service:</i>		
Principal		61,001
Interest		14,301
Total expenditures		166,509
Excess of revenues over expenditures		41,934
Fund Balance, Beginning of Year		366,959
Fund Balance, End of Year	\$	408,893

See independent accountants' review report and accompanying notes.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

Net change in fund balance - Governmental fund \$ 41,934

The change in net position is reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets:

Capital outlay capitalized	12,971	
Depreciation expense	(90,180)	
Difference in cost and accumulated depreciation of disposed assets	(3,064)	(80,273)

Some revenues will not be collected for sixty days after year end, thus they are not considered "available" revenues in the governmental fund.

Change in deferred property taxes	5,638
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Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded payments.

Long-term Liabilities:

Payments on capital lease	61,001
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Change in net position of governmental activities	\$ 28,300
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See independent accountants' review report and accompanying notes.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The Fire Protection District No. 8 of Livingston (District) was created in 1971 by resolution of the Livingston Parish Council under the authority of Louisiana Revised Statute (LRS) 40:1492-1505 for the purpose of purchasing fire equipment and providing fire protection for the people of District No. 8 of Livingston Parish. The District is governed by a board of commissioners consisting of five members. Two are appointed by the parish governing authority; two by the governing body of the municipal corporation of the district; and the last, whom is chairman of the board, is selected by the other four members.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. These principles were found in the Codification of Governmental Accounting and Financial Reporting Standards. The accompanying financial statements have been prepared in accordance with such principles.

B. Reporting Entity

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

The Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* 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.

C. Fund Accounting

The District uses fund accounting to maintain 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 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 purpose for which they may be used.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting, (continued)

Governmental Funds (continued)

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 resource 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 General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide and Fund Financial Statements

Government-wide Statements: The statement of net position and the statement of activities display information about the Fire Protection District No. 8 of Livingston. These statements include the financial activities of the overall government. Information contained in these statements reflects the economic resources measurement focus and 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 presents a comparison between direct expenses and program revenues for the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds. Separate statements for each fund category - *governmental* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The governmental fund is accounted for using the modified accrual basis of accounting. Revenue is recognized when susceptible to accrual (when they become measurable and available) as current assets. 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.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt are recognized when due. General capital acquisitions are reported as expenditures and capital leases are reported as other financial sources. The governmental fund uses the following practices in recording revenues and expenditures:

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

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

E. Cash

Cash includes amounts in demand deposits. 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 of Louisiana.

F. Allowance for Uncollected Receivables

The District's primary revenue source, ad valorem taxes, becomes delinquent if not paid by December 31st following the year of assessment. Based on prior historical information, management has determined that current collections are estimated at approximately 99% of the tax levy. As December 31, 2016, the amount of uncollectible receivables is estimated to be \$2,055

G. Capital Assets

Capital assets, which include building, vehicles and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated market value at the date of donation. The District maintains a threshold of \$500 or more for capitalizing capital assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40 years
Improvements	10-15 years
Vehicles	5-15 years
Equipment	7-10 years

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Estimates

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

I. Government-Wide Net Position

For the government-wide statement of net position, net position amount is classified and displayed in three components:

Net investment in capital assets – This component consists of capital assets including 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 capital assets.

Restricted net position – This component consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, laws, or regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position – This component consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

J. Fund Equity of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable- represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted- represents balances where constraints have been established by parties outside the District or imposed by law through constitutional provisions or enabling legislation.

Committed- represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority.

Assigned- represents balances that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

NOTES TO THE FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

K. Fund Equity of Fund Financial Statements (continued)

Unassigned- represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenses are incurred for the purposes for which both restricted and unrestricted amounts are available, the District reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the District reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

2. **CASH**

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Custodial Credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit for custodial credit risk. As of December 31, 2016, the District's bank balance was not exposed to custodial credit risk.

At December 31, 2016, the District has \$236,243 in deposits (collected bank balances). The \$236,243 consists of a demand deposit account. It is fully secured from risk by federal deposit insurance.

3. **RECEIVABLES**

Receivables represent revenues earned in 2016 and received in 2017 as follows:

Property taxes	\$188,082
State revenue sharing	2,976
Allowance for uncollectible	<u>(2,055)</u>
Total	<u>\$189,003</u>

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2016, are as follows:

Governmental activities:

	<u>Building and improvements</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost of Capital Assets, December 31, 2015, restated	\$ 104,610	\$ 198,704	\$1,087,027	\$ 1,390,341
Additions	-	12,971	-	12,971
Deletions	-	(13,098)	-	(13,098)
Cost of Capital Assets, December 31, 2016	<u>104,610</u>	<u>198,577</u>	<u>1,087,027</u>	<u>1,390,214</u>
Accumulated depreciation, December 31, 2015	54,632	118,895	485,209	658,736
Additions	6,504	18,308	65,368	90,180
Deletions	-	(10,034)	-	(10,034)
Accumulated depreciation, December 31, 2016	<u>61,136</u>	<u>127,169</u>	<u>550,577</u>	<u>738,882</u>
Capital assets, net of accumulated depreciation at December 31, 2016	<u>\$ 43,474</u>	<u>\$ 71,408</u>	<u>\$ 536,450</u>	<u>\$ 651,332</u>

For the year ended December 31, 2016, depreciation expense was \$90,180.

The District has acquired three vehicles under capital lease obligations. The lease payments relating to the vehicles have been capitalized and included in vehicles on the accompanying government-wide financial statements. The leased vehicles have a cost of \$596,869 and accumulated depreciation recognized on the leases as of December 31, 2016 was \$154,099.

5. LEVIED TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District during the year and are billed to taxpayers and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and are recognized as revenue when billed. The Livingston Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Livingston Parish Assessor. The taxes are generally collected in December of the current year and January and February of the ensuing year. However, during August 2016, Livingston Parish was declared a disaster area due to flooding; therefore, taxes were billed in January, and collected subsequently. For 2016, the District levied 16.66 mills for a total tax levy of \$188,082.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM LIABILITIES

Summary of changes in long-term debt for the year ended December 31, 2016, is as follows:

	<u>Balance 12/31/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/16</u>
Capital lease obligations	\$ 450,269	\$ -	\$ 61,001	\$ 389,268
Total	<u>\$ 450,269</u>	<u>\$ -</u>	<u>\$ 61,001</u>	<u>\$ 389,268</u>

The District records items under capital leases as assets and obligations in the accompanying financial statements. The District has three capital leases in 2016.

The following is a summary of future minimum lease payments under the capital leases and present value of the net minimum lease payments as of December 31, 2016.

Year ending December 31 st	
2017	\$ 56,228
2018	56,228
2019	56,228
2020	56,228
2021	56,228
Thereafter	<u>168,701</u>
Future minimum lease payments	449,841
Less: Amount representing interest	<u>(60,573)</u>
Present value of net minimum lease payments	<u>\$ 389,268</u>

7. LITIGATION AND CLAIMS

At December 31, 2016, the District does not have any litigation or claims against it.

8. COMPENSATION PAID TO BOARD MEMBERS

Louisiana Revised Statute 40:1498 provides that each member of the District may receive compensation in the amount of thirty dollars per meeting, not to exceed two meetings in any one calendar month. Currently, the District does not pay compensation to the board members.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 30, 2017, the date the financial statements were available to be issued, and determined that no additional disclosures are necessary.

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2016

Agency Head: Alan Guitreau, Fire Chief

Purpose	Amount
Salary	<u>\$ 7,200</u>

See independent accountants' review report.



To the Honorable Fire Chief, Alan Guitreau
Fire Protection District No. 8 of Livingston Parish, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Fire Protection District No. 8 of Livingston Parish, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluation management's assertions about the Fire Protection District No. 8 of Livingston, Louisiana's compliance with certain laws and regulations during the year ended December 31, 2016, included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Fire Protection District No. 8 of Livingston Parish is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Governmental Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the 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.

Public Bid Law:

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

There were no expenditures made during the year for material and supplies exceeding \$30,000 or public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees:

2. Obtain from management a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the list obtained from management in agreed-upon procedures (2) as immediate family members.

None of the employees included on the list of employees provided by management (agreed-upon procedure (3)) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting:

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

Management did not adopt a budget.

6. Trace the budget adoption and amendments to the minute book.
Management did not adopt a budget.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted amounts by 5% or more.

Management did not adopt a budget.

Accounting and Reporting:

8. Randomly select 6 disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee,

We examined supporting documentation for each of the six selected disbursements and found that payment was for proper amount and made to the correct payee.

- (b) Determine if payments were properly coded to the correct fund and general ledger account, and

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) Determine whether payments received approval from proper authorities.

Inspection of the documentation supporting each of the six selected disbursements indicated approval from the board of commissioners.

Meeting:

9. Examine evidence indication that agendas for meetings recorded in the minute book were posted or advertised by R. S. 42:11 through 42:28 (the open meetings law).

The District properly complied with the requirements of the open meetings law.

Debt:

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks, loans, bonds, or like indebtedness.

Inspection of all bank deposit slips for the period under examination showed that none of the deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses:

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

No payments have been made to employees that may constitute bonuses, advances, or gifts.

Prior Comments and Recommendations:

The prior year report, dated June 18, 2016, which was reviewed by other accountants', contained a finding on non-compliance with budget laws. A repeat finding was noted in the current year.

We were not engaged to, and did not; perform an audit, the objective of which would be the expression of any opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Fire Protection District No. 8 of Livingston, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dez, Dupuy + Ruiz

June 30, 2017

LOUISIANA ATTESTATION QUESTIONNAIRE

Diez, Dupuy & Ruiz, LLC
1124 S. Burnside Ave, Ste 200B
Gonzales, LA 70737

In connection with the review of our financial statements as of December 31, 2016, and for the years then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to make these representations.

These representations are based on the information available to us, the Fire Protection District No. 8 of Livingston, as of June 30, 2017.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2212-2296, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

YES NO N/A

Code of Ethics for Public Officials and Public Employees

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

YES NO N/A

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

YES NO N/A

Budgeting

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

YES NO N/A

Accounting and Reporting

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

YES NO N/A

We have filed our annual financial statements in accordance with R. S. 24:514, and 33:463, and/or 39:92, as applicable.

YES NO N/A

We have had our financial statements audited or compiled in accordance with R.S. 24:513A (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

YES NO N/A

Meetings

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

YES NO N/A

Debt

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

YES NO N/A

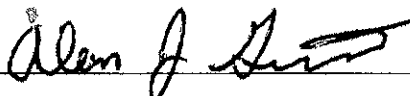
Advances and Bonuses

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

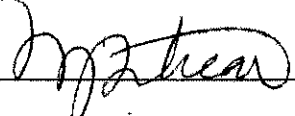
YES NO N/A

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

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.



Fire Chief



Treasurer

FIRE PROTECTION DISTRICT NO. 8 OF LIVINGSTON PARISH

SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES

2016-001 LOCAL BUDGET ACT

Criteria: The Local Government Budget Act (LSA-RS 39:1305) requires a political subdivision to prepare a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund.

Condition: The District did not prepare a budget for the general fund for the year ended December 31, 2016.

Cause: Procedures were not adequately designed to ensure a budget was prepared for the year ended December 31, 2016.

Effect: Since the District failed to properly prepare and adopt a budget, the District is not in compliance with the local government budget act.

Recommendation: We recommend management prepare a budget each calendar year.

Views of responsible officials and planned corrective actions: Management will take measures and design procedures to ensure the budget is properly prepared and adopted according to state law.