

**MAMOU FIRE PROTECTION
DISTRICT NO. 1**

Evangeline Parish, Louisiana

Financial Report

Year Ended December 31, 2013

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(A Corporation of Certified Public Accountants)

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Mr. Larry Bieber, President
Mamou Fire Protection District No. 1
P.O. Box 38
Mamou, Louisiana 70554

We have reviewed the accompanying financial statements of the Mamou Fire Protection District No. 1, a component unit of the Evangeline Parish Police Jury, as of and for the year ended December 31, 2013 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 Mamou Fire Protection District No. 1. 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.

The management of Mamou Fire Protection District No. 1 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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.

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Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison information on pages 4 through 6 and 24, are presented for purposes of additional analysis. Such information, although not a required 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 supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Dawall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

June 12, 2014

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis

As management of the Mamou Fire Protection District No. 1, we provide readers of the District's financial statements this narrative overview and analysis of the financial activities of the District, for the twelve months ended December 31, 2013. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

The financial statements provide these insights into the results operations for the twelve months ended December 31, 2013.

- The District showed a net increase in overall net position of \$23,986.
- A significant portion of the District's assets (65%) are invested in capital assets, which accounts for \$1,014,864 of the District's \$1,563,023 total assets.
- Net Capital Assets of the District increased by \$419,199 which is attributable to the purchase of the ladder truck less current year depreciation expense.
- Revenues received by the District increased \$7,582 during the current fiscal year. This represents a 3% increase from the previous year.
- Revenues totaled \$298,715 while operating expenses totaled \$274,729 with salaries and payroll taxes representing 10.4%.

Using This Financial Report

This report contains a series of financial statements. The statement of net position on page 8 and the statement of activities on page 9 provide information on all activities of the District as a whole. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The accompanying financial statements present information only on the funds maintained by the District.

All of the District's expenses incurred for the provision of fire services are reported in a governmental fund. This fund is reported using the accrual basis of accounting, which measures revenues when earned and expenses when incurred.

Financial Analysis of the District as a Whole

Our analysis below will focus on key elements of the total funds for the twelve months ended December 31, 2013.

Condensed Statement of Net Position

Assets:	
Current assets	\$ 548,159
Capital assets	<u>1,014,864</u>
Total assets	<u>\$ 1,563,023</u>

Condensed Statement of Net Position (continued)

Liabilities:	
Current liabilities	\$ 31,000
Long-term liabilities	<u>32,000</u>
Total liabilities	<u>63,000</u>
Net assets:	
Net investment in capital assets	951,864
Unrestricted	<u>548,159</u>
Total net assets	<u>\$ 1,500,023</u>
Change in Net Position	
General revenues	\$ 295,809
Operating expenses	<u>274,729</u>
Operating income	21,080
Nonoperating revenues	
Interest income	<u>2,906</u>
Increase in net position	<u>\$ 23,986</u>

As of December 31, 2013, the District “as a whole” had assets greater than its liabilities by \$1,500,023.

The District’s unrestricted net position at December 31, 2013 was \$548,159. This is a decrease of \$424,213 from the prior year balance primarily due to the purchase of the new ladder truck. It is important that the District have unrestricted net position so that we will have resources available to adapt to changes in the economy, emergencies, and unexpected needs.

Capital Assets

The District had invested \$1,014,864 in capital assets net of depreciation as of December 31, 2013. Capital assets are categorized as follows:

Land	\$ 63,922
Buildings and improvements	240,903
Fire trucks	1,304,181
Equipment	<u>288,215</u>
Total capital assets	<u>\$ 1,897,221</u>

Additional information on the District’s capital assets can be found in Note 6, page 21.

Long-Term Debt

The District issued certificates of indebtedness, series 2005 in the amount of \$275,000 at an interest rate of 3.90%, secured by revenues of the District’s Mileage Tax. The balance owed on this indebtedness as of December 31, 2013 is \$63,000.

Additional information on the District’s long-term debt can be found in Note 7 on page 21 of this report.

Additional Information

Mamou Fire Protection District No. 1 is currently funded through an 8.09 mill 10 year property tax scheduled to expire on December 31, 2014.

Requests for Information

This financial report is designed to provide a general overview of the Mamou Fire Protection District No. 1 finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Larry Bieber, Chairman, Mamou Fire Protection District No. 1, and P.O. Box 38, Mamou, LA 70554.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Statement of Net Position
December 31, 2013

ASSETS

Current assets:	
Cash	\$ 43,808
Certificates of deposit	275,000
Prepaid expense	12,372
Ad valorem taxes receivables	<u>216,979</u>
Total current assets	<u>548,159</u>
Capital assets:	
Land	63,922
Buildings and improvements	240,903
Fire trucks	1,304,181
Equipment	<u>288,215</u>
	1,897,221
Less: Accumulated depreciation	<u>(882,357)</u>
Total capital assets, net of accumulated depreciation	<u>1,014,864</u>
Total assets	<u>1,563,023</u>

LIABILITIES

Current liabilities:	
Payroll liabilities	-
Certificate of indebtedness	<u>31,000</u>
Total current liabilities	<u>31,000</u>
Long-term liabilities:	
Certificate of indebtedness	<u>32,000</u>
	<u>32,000</u>
Total liabilities	<u>63,000</u>

NET POSITION

Net Investment in capital assets	951,864
Unrestricted	<u>548,159</u>
Total net position	<u>\$ 1,500,023</u>

See accompanying notes and independent accountant's review report.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Statement of Activities
Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues		Net Revenues (Expenses)
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General government	\$ 271,687	\$ -	\$ -	\$ (271,687)
Interest on long-term debt	<u>3,042</u>	<u>-</u>	<u>-</u>	<u>(3,042)</u>
Total governmental activities	<u>\$ 274,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(274,729)</u>

General Revenues

Ad valorem taxes	245,499
State revenue sharing	14,930
Insurance rebate	34,024
Miscellaneous	1,356
Interest earnings	<u>2,906</u>
Total general revenues	<u>298,715</u>
Change in net assets	23,986
Net position, beginning	<u>1,476,037</u>
Net position, ending	<u>\$ 1,500,023</u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Balance Sheet
Governmental Funds
December 31, 2013

ASSETS

Current assets:	
Cash	\$ 43,808
Certificates of deposit	275,000
Prepaid expense	12,372
Receivables	<u>216,979</u>
Total assets	<u>\$ 548,159</u>

LIABILITIES AND FUND BALANCE

Current Liabilites:	
Payroll liabilites	\$ <u>-</u>
Total liabilites	<u>-</u>
Fund Balance:	
Nonspendable	12,372
Unassigned	<u>535,787</u>
Total liabilities and fund balance	<u>\$ 548,159</u>

See accompanying notes and independent accountant's review report.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2013

Operating revenues:	
Taxes	\$ 245,499
State	14,930
Insurance rebate	34,024
Miscellaneous	<u>1,356</u>
Total operating revenues	<u>295,809</u>
Operating expenditures:	
Current Operating -	
Communications equipment	11,921
Contract labor	14,021
Equipment rental	1,692
Fire equipment	506,911
Fireman training	823
Fuel	3,576
Insurance	37,025
Legal ads	1,220
Legal and accounting	4,800
Miscellaneous	11,591
Office expense	1,026
Payroll taxes	4,763
Per diem paid board members	1,980
Salaries and wages	23,672
Supplies	4,420
Repairs and maintenance	42,751
Utilities/telephone	7,841
Volunteer Firemen reimbursement	10,853
Principal payments	30,000
Interest payments	<u>3,042</u>
Total operating expenses	<u>723,928</u>
Operating loss	(428,119)
Nonoperating revenues:	
Interest	<u>2,906</u>
Change in fund balance	(425,213)
Fund balance, beginning	<u>973,372</u>
Fund balance, ending	<u>\$ 548,159</u>

See accompanying notes and independent accountant's review report.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Statement of Net Position
December 31, 2013

Total Fund Balances - Total Governmental Funds	\$ 548,159
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet	1,014,864
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet	<u>(63,000)</u>
Total Net Position - Governmental Activities	<u>\$1,500,023</u>

See accompanying notes and independent accountant's review report.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Reconciliation of the Statement of Revenues,
Expenditures and Change in Fund Balance
of the Governmental Funds to the Statement of Activities
Year Ended December 31, 2013

Net Changes in Fund Balances - Total Governmental Funds \$ (425,213)

Amounts reported for governmental activities in the
Statement of Net Position are different because:

Governmental funds report capital outlay as expenditures.
However, in the Statement of Activities, the cost of
those assets is allocated over their estimated useful
lives as depreciation expense. This is the amount by
which capital outlay exceeded depreciation expense
in the current period. 419,199

Governmental funds report principal paid as an
expenditure but, in the Statement of Activities, these
payments represent a reduction in liabilities. This is
the amount of principal paid in the current period. 30,000

Change in Net Position - Governmental Activities \$ 23,986

See accompanying notes and independent accountant's review report.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Legal Organization

Mamou Fire Protection District No. 1 of Evangeline Parish was created by the Evangeline Parish Police Jury, as authorized by Louisiana Revised Statutes 40:1491-1493. The Fire District is governed by a five member board of commissioners appointed by the Evangeline Parish Police Jury. The fire district is authorized to construct, maintain, and improve the system of fire protection within the district.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the government. Both the government-wide and fund financial statements categorize primary activities as governmental.

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. Taxes and items not properly included among program revenues are reported as *general revenues*.

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Fund Accounting

The Fire District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The financial statements of the Mamou Fire Protection District No. 1 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All major revenues are susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

Budget And Budgetary Accounting

The Fire District adopts a budget for the General Fund during December of the year preceding the year budgeted.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the Fire District.

Investments

Under state law the District may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost. Donated assets are recorded at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and improvements	20 – 40 years
Fire Trucks	15 years
Equipment	7 – 30 years

Fund financial statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

All long-term debt to be repaid from governmental resources is reported as liabilities in the governmental-wide statements. The long-term debt consists primarily of bonds payable, equipment notes payable, certificates of indebtedness, paving certificates, and estimated claims payable.

Long-Term Debt

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

Use of Estimates

The preparation of the financial statements in conformity with general accepted accounting principles requires 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 and expenses during the reporting period. Actual results could differ from those estimates.

Equity classifications

Government-wide statements -

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, certificates of indebtedness, paving certificates, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund financial statements –

Governmental fund equity is classified as fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.
- Restricted: This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Mamou Fire Protection District No. 1’s District, which is the District’s highest level of decision-making authority. These amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of year-end.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the District's (1) Board, (2) its finance committee, or (3) an official to which the District has delegated the authority to assign amounts to be used for a specific purpose.
- Unassigned: This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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.

Subsequent Events

Management has evaluated subsequent events through June 12, 2014, the date the financial statements were available to be issued.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are stated at cost, which approximates market.

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state laws, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2013, the District has cash and interest-bearing deposits, including certificates of deposit, (book balances) totaling \$318,808.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS (Continued)

These deposits are stated at cost, which approximates market. Under state laws, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2013, are as follows:

	Jeff Davis Bank	Citizens Bank
Bank balances	<u>\$ 74,745</u>	<u>\$ 250,000</u>
Federal deposit insurance	\$ 250,000	\$ 250,000
Pledged securities (Category 3)	<u>-</u>	<u>200,000</u>
Total	<u>\$ 250,000</u>	<u>\$ 450,000</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 RETIREMENT SYSTEM

The employees of the district are covered by social security.

NOTE 4 AD VALOREM TAXES

Taxes are levied by the District in October and are actually billed by the Evangeline Parish Sheriff's Department in November. Billed taxes become delinquent on December 31. The Sheriff's Department sends out past due notices in early February. In May, the Sheriff advertises a sale on all property for which taxes have not been paid and the Sheriff's sale is held during June.

For the year ended December 31, 2013, taxes of 8.04 mills were levied on property and were dedicated for Fire Protection.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 5 CAPITAL ASSETS

Capital assets and depreciation activity, as of and for the year ended December 31, 2013, are as follows:

	<u>Balance</u> <u>1/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2013</u>
Governmental activities				
Land	\$ 63,922	\$ -	\$ -	\$ 63,922
Buildings and improvements	240,903	-	-	240,903
Fire trucks	797,270	506,911	-	1,304,181
Equipment	<u>288,215</u>	<u>-</u>	<u>-</u>	<u>288,215</u>
Total	<u>1,390,310</u>	<u>506,911</u>	<u>-</u>	<u>1,897,221</u>
Less accumulated depreciation	<u>794,645</u>	<u>87,712</u>	<u>-</u>	<u>882,357</u>
Governmental activities				
Capital assets, net	<u>\$ 595,665</u>	<u>\$ 419,199</u>	<u>\$ -</u>	<u>\$ 1,014,864</u>

Depreciation expense of \$87,712 was charged to governmental activities.

NOTE 6 LONG-TERM DEBT

The Fire District issued \$275,000 in Certificates of Indebtedness, at an interest rate of 3.9%, secured by revenues of the District's Millage Tax. The proceeds were used to purchase 2 fire trucks. Principal payments are due annually on March 1 of each year and interest payments are due semi-annually on March 1 and September 1 of each year. Principal and interest payments to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 31,000	\$ 1,853
2015	<u>32,000</u>	<u>624</u>
	<u>\$ 63,000</u>	<u>\$ 2,477</u>

The following is a summary of changes in general long-term debt for the year ended December 31, 2013:

	<u>Balance</u> <u>1/1/2013</u>	<u>Bond</u> <u>Proceeds</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>12/31/2013</u>
Certificates of Indebtedness	<u>\$ 93,000</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 63,000</u>

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 7 DESCRIPTION OF LEASING ARRANGEMENTS

The Fire District entered into a prepaid lease agreement for a rescue truck in the amount of \$25,345. The lease will be amortized over fifteen years. Rent expense for the year ended December 31, 2013 totaled \$1,692.

2014	\$ 1,692
2015	1,692
2016	1,692
2017	1,692
2018	1,692
2019-2021	<u>3,913</u>
	<u>\$ 12,373</u>

NOTE 8 PER DIEM PAID BOARD MEMBERS

The following is a summary of per diem paid to Board members for the year ended December 31, 2013:

Larry Bieber	\$ 420
Greg Monier	360
Earl LaFleur	420
Tiqua Manuel	360
Randy Young	<u>420</u>
Total	<u>\$ 1,980</u>

REQUIRED SUPPLEMENTARY INFORMATION

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Budgetary Comparison Schedule
General Fund
Year December 31, 2013

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating revenues:				
Taxes	\$ 235,000	\$ 245,500	\$ 245,499	\$ (1)
State	25,000	25,000	14,930	(10,070)
Insurance rebate	30,000	32,000	34,024	2,024
Miscellaneous	3,500	3,500	1,356	(2,144)
Total operating revenues	<u>293,500</u>	<u>306,000</u>	<u>295,809</u>	<u>(10,191)</u>
Operating expenditures:				
Current Operating -				
Communications equipment	15,000	15,000	11,921	3,079
Contract labor	-	-	14,021	(14,021)
Equipment rental	-	-	1,692	(1,692)
Fire equipment	30,000	536,911	506,911	30,000
Fireman training	2,000	2,000	823	1,177
Fuel	7,000	7,000	3,576	3,424
Insurance	35,000	35,000	37,025	(2,025)
Legal ads	2,000	2,000	1,220	780
Legal and accounting	5,000	5,000	4,800	200
Miscellaneous	7,300	7,300	11,591	(4,291)
Office expense	1,500	1,500	1,026	474
Payroll taxes	5,500	5,500	4,763	737
Per diem paid board members	2,000	2,000	1,980	20
Salaries and wages	38,500	38,500	23,672	14,828
Supplies	5,000	5,000	4,420	580
Repairs and maintenance	61,000	61,000	42,751	18,249
Utilities/telephone	13,000	13,000	7,841	5,159
Volunteer Firemen reimbursement	20,000	20,000	10,853	9,147
Principal payments	30,000	30,000	30,000	-
Interest payments	3,050	3,050	3,042	8
Total operating expenses	<u>282,850</u>	<u>789,761</u>	<u>723,928</u>	<u>65,833</u>
Operating income	10,650	(483,761)	(428,119)	55,642
Nonoperating revenues:				
Interest	<u>8,000</u>	<u>6,000</u>	<u>2,906</u>	<u>(3,094)</u>
Change in fund balance	18,650	(477,761)	(425,213)	<u>\$ 52,548</u>
Fund balance, beginning	<u>973,372</u>	<u>973,372</u>	<u>973,372</u>	
Fund balance, ending	<u>\$992,022</u>	<u>\$ 495,611</u>	<u>\$ 548,159</u>	

See independent accountant's review report.

SUPPLEMENTAL INFORMATION

E. Larry Sikes, CPA/PFS, CVA, CFP®
Danny P. Frederick, CPA
Clayton E. Damall, CPA, CVA
Eugene H. Damall, III, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA/PFS
J. Stephen Gardes, CPA, CVA
Jennifer S. Ziegler, CPA/PFS, CFP®
Chris A. Miller, CPA, CVA
Steven G. Moosa, CPA
M. Rebecca Gardes, CPA
Joan B. Moody, CPA
Lauren V. Hebert, CPA/PFS
Erich G. Loewer, III, CPA, M.S. Tax
Stephen R. Dischler, MBA, CPA
Pamela Mayeux Bonin, CPA, CVA
Craig C. Babineaux, CPA/PFS, CFP®
Jeremy C. Meaux, CPA
Chad M. Bailey, CPA
Adam J. Curry, CPA, CFP®
Kyle P. Saltzman, CPA
Blaine M. Crochet, CPA, M.S.

Kathleen T. Damall, CPA
Kevin S. Young, CPA
Christy S. Dew, CPA, MPA
Rachel W. Ashford, CPA
Veronica L. LeBleu, CPA, MBA
Christine Guidry Berwick, CPA, MBA
Brandon L. Porter, CPA
Christine H. Ford, CPA
Barry J. Dufrene, CPA
Tanya S. Nowlin, Ph.D., CPA
Nicole B. Bruchez, CPA, MBA
Brandon R. Dunphy, CPA
Seth C. Norris, CPA
Ryan Earles, CPA
Jenifer Zaunbrecher, CPA
Robert C. Damall, CPA, M.S.
Elizabeth H. Olinde, CPA



**Darnall, Sikes,
Gardes & Frederick**

(A Corporation of Certified Public Accountants)

Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Commissioners
Mamou Fire Protection District No. 1
Mamou, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Mamou Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Mamou Fire Protection District No. 1's compliance with certain laws and regulations during the year ended December 31, 2013 included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in 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 LSA-RS 38:2211-2251 (the public bid law).

There was one purchase of materials and supplies exceeding \$30,000 or public works purchases exceeding \$150,000. A ladder truck was purchased for \$509,911 under state contract.

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 LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

2000 Kaliste Saloom
Suite 300
Lafayette, LA 70508
Phone: 337.232.3312
Fax: 337.237.3614

1231 E. Laurel Avenue
Eunice, LA 70535
Phone: 337.457.4146
Fax: 337.457.5060

1201 Brashear Avenue
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Morgan City, LA 70380
Phone: 985.384.6264
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A Member of:
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

www.dsfcpas.com

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

Management provided us with required list.

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

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

Budgeting

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

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

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original and amended budgets to the minutes of a meeting which indicated that the budgets had been adopted.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did exceed budgeted revenues by 5% or more. Actual expenditures did not exceed budgeted expenditures by 5%.

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 the 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 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 documentation supporting each of the six selected disbursements indicated approval.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

A notice of each meeting and the accompanying agenda is posted on the door of the meeting place. Minutes of Meeting are printed in the local newspaper as evidenced by invoices.

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.

We inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared 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 who may constitute bonuses, advance, or gifts.

A reading of the minutes of the district for the year indicated no approval for any such payments. We also inspected payroll records for the year and note no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not; conduct an audit, the objective of which would be the expression of an opinion on management's assertions. 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 Mamou Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, and is not intended to be 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. However, this report is a matter of public record and its distribution is not limited.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

June 12, 2014

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Schedule of Findings and Responses
Management's Responses and Planned Corrective Action
Year Ended December 31, 2013

13-1 Inadequate Segregation of Duties

Finding: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic limitations.

Recommendation: No action is recommended.

Management's Response: Management concurs.

Planned Corrective Action: None.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Schedule of Prior Year Findings
Year Ended December 31, 2013

12-1 Inadequate Segregation of Duties

This issue is unresolved. See current year finding 13-1.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

_____ (Date Transmitted)

Darnall, Sikes, Gardes & Frederick

P.O. Drawer 1048, Eunice, LA 70535

(Auditors)

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

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

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

Yes [] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No []

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

Yes [] No []

Budgeting

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

Yes [] No []

Accounting and Reporting

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

Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No []

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

Yes [] No []

Meetings

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

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements.

without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No

Advances and Bonuses

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

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as 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 that may occur subsequent to the issuance of your report.

<u>Shaw Deshotel</u>	Secretary	<u>12-20-13</u>	Date
<u>Larry Butler</u>	Treasurer	<u>12-20-13</u>	Date
<u>Larry Butler</u>	President	<u>12-20-13</u>	Date