

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

**CALCASIEU PARISH WARD 7 FIRE
PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

December 31, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 13 2014

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Calcasieu Parish Ward 7 Fire
Protection District No. 1
Calcasieu Parish Police Jury
Vinton, Louisiana

We have audited the accompanying financial statements of Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2013 and related notes to the financial statements, which collectively comprise of the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Calcasieu Parish Ward 7 Fire Protection District No. 1 of as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

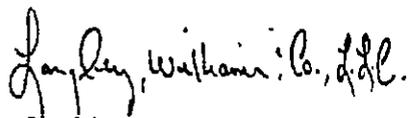
The District has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financials statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, and Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Vinton, Louisiana
April 2, 2014

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
December 31, 2013**

ASSETS

Cash and cash equivalents	\$ 2,716,716
Ad valorem tax receivable, net of allowance for doubtful accounts of \$10,008	493,507
Prepaid insurance	1,871
Capital assets, net of accumulated depreciation	<u>1,038,179</u>
Total assets	<u>4,250,273</u>

LIABILITIES

Accounts payable	6,389
Payroll taxes payable	418
Pension fund deduction payable	<u>14,714</u>
Total liabilities	<u>21,521</u>

NET POSITION

Investment in capital assets	1,038,179
Restricted for:	
Capital improvements	532,049
Unrestricted	<u>2,658,524</u>
Total net position	<u>\$ 4,228,752</u>

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
For the Year Ended December 31, 2013**

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental Activities - Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants, and Contributions</u>	
Governmental activities:					
General government	\$ 380,324	\$ -	\$ -	\$ 8,000	\$ (372,324)
Total Government Activities	<u>\$ 380,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,000</u>	<u>(372,324)</u>
General revenues:					
					465,721
					6,760
					11,282
					3,380
					6,318
					<u>493,461</u>
					121,137
					<u>4,107,615</u>
					<u>\$ 4,228,752</u>

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**GOVERNMENTAL FUND
BALANCE SHEET
December 31, 2013**

	<u>GOVERNMENTAL FUND TYPES</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,194,957	\$ 521,759	\$ 2,716,716
Ad valorem tax receivable, net of allowance for doubtful accounts of \$10,008	480,102	10,290	490,392
Prepaid insurance	1,871	-	1,871
State revenue sharing receivable	3,061	-	3,061
Accrued interest receivable	54	-	54
	<hr/>	<hr/>	<hr/>
Total assets	\$ 2,680,045	\$ 532,049	\$ 3,212,094
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 6,389	\$ -	\$ 6,389
Payroll taxes payable	418	-	418
Pension fund deduction payable	14,714	-	14,714
Total liabilities	<hr/> 21,521	<hr/> -	<hr/> 21,521
Fund balance:			
Restricted for capital improvements	-	532,049	532,049
Unassigned	2,658,524	-	2,658,524
	<hr/> 2,658,524	<hr/> 532,049	<hr/> 3,190,573
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and fund balance	\$ 2,680,045	\$ 532,049	\$ 3,212,094

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**RECONCILIATION OF FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

December 31, 2013

FUND BALANCE OF GOVERNMENTAL FUNDS **\$ 3,190,573**

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, not reported in the funds.

Cost of capital assets

\$ 3,551,828

Less - accumulated depreciation

(2,513,649)

1,038,179

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 4,228,752

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND
Year Ended December 31, 2013**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenue:			
Ad valorem taxes	\$ 465,695	\$ 26	\$ 465,721
State revenue sharing	6,760	-	6,760
Fire tax rebate	11,282	-	11,282
Grants	8,000	-	8,000
Interest	3,144	236	3,380
Miscellaneous	6,318	-	6,318
Total revenues	<u>501,199</u>	<u>262</u>	<u>501,461</u>
Expenditures:			
Current:			
General government	203,984	531	204,515
Capital outlay	39,470	-	39,470
Debt service:			
Principal retirement	-	110,000	110,000
Interest	-	2,394	2,394
Total expenditures	<u>243,454</u>	<u>112,925</u>	<u>356,379</u>
 Excess of revenues over expenditures	 257,745	 (112,663)	 145,082
 Fund balance at beginning of year	 <u>2,400,779</u>	 <u>644,712</u>	 <u>3,045,491</u>
 Fund balance at end of year	 <u>\$ 2,658,524</u>	 <u>\$ 532,049</u>	 <u>\$ 3,190,573</u>

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2013**

Total net change in fund balance - governmental funds		\$ 145,082
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.		
Capital outlays	\$ 39,470	
Depreciation expense	<u>(174,610)</u>	(135,140)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets		
		110,000
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
		<u>1,195</u>
Change in net position of governmental activities		<u>\$ 121,137</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2013
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Calcasieu Parish Ward 7 Fire Protection District No. 1 (District) was created under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the people of Ward 7 of Calcasieu Parish. The district is governed by a board of five commissioners appointed by the Calcasieu Parish Police Jury.

Basis of Presentation

The financial statements of the District 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 District's accounting policies are described below.

Reporting Entity

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2013
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Because the police jury financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship, the District was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity

Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2013
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting/Measurement Focus – (Continued)

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, intergovernmental revenues, rebates, and grants. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The General Fund is the District's operating fund. It accounts for all financial resources of the District.

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

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

Accounts Receivable

Accounts receivable consists of ad valorem taxes totaling \$503,517 as of December 31, 2013. Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. The allowance for uncollectible accounts at December 31, 2013, was \$10,008.

Budgets

Under GASB No. 34 budgetary comparison information is required to be presented for the general fund with a legally adopted budget.

For further information regarding the District's budget process see Note 6.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and building improvements	15 – 50 years
Equipment	5 – 20 years

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2013
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Obligations

Long-term obligations are reported as liabilities in the government-wide statements. Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as fund liability of a governmental fund.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District. 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.
- **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.
- **Unassigned:** includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2013
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank accounts and short-term investments. At December 31, 2013, the district has cash and cash equivalents (book balances) totaling \$2,716,716.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the District. The District's cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount of deposit with the 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. At December 31, 2013, the district has \$2,716,815 in deposits (collected bank balances) that were secured from risk by \$1,350,000 of federal deposit insurance and \$2,110,960 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

NOTE 3 - AD VALOREM TAXES

Accounting principles generally accepted in the United State of America for government prescribe a modified accrual basis to be applied to property tax revenues. An assessment is made to finance the budget of a particular period and the revenue produced from any property tax assessment should be recognized in the fiscal period for which it was provided (budgeted) and for which the collections are reasonably available. Expected collections and collections of the 2013 levy are accrued as receivable and as revenue in the current year (2013). For budget purposes, property taxes collected in 2013 are designated as revenue appropriable in the 2013 budget year.

For the year ended December 31, 2013, taxes of 9.78 mills were levied on property with assessed valuations totaling approximately \$48,209,590 dedicated as follows:

Maintenance	9.78 mills
Bond Sinking	0.00 mills

Total taxes levied were \$471,491.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

During the year, the tax assessor made adjustments to increase previous year taxpayer valuations of \$1,065 worth of taxes. This amount was net against current year ad valorem taxes along with \$1,863.50 worth of prior year tax refunds.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2013
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2013, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Land	\$ 3,931	\$ -	\$ -	\$ 3,931
Building	523,380	-	-	523,380
Building improvements	103,280	7,528	-	110,808
Equipment	2,881,767	31,942	-	2,913,709
Total at historical cost	<u>3,512,358</u>	<u>39,470</u>	<u>-</u>	<u>3,551,828</u>
Less accumulated depreciation				
Building	(247,452)	(9,811)	-	(257,263)
Building improvements	(95,909)	(955)	-	(96,864)
Equipment	(1,995,678)	(163,844)	-	(2,159,522)
Total accumulated depreciation	<u>(2,339,039)</u>	<u>(174,610)</u>	<u>-</u>	<u>(2,513,649)</u>
Governmental activities capital assets, net	<u>\$ 1,173,319</u>	<u>\$ (135,140)</u>	<u>\$ -</u>	<u>\$ 1,038,179</u>

Depreciation expense for the year ended December 31, 2013, was charged to governmental activity in the amount of \$174,610.

NOTE 5 - LONG-TERM DEBT

The following is a summary of bond transactions of the District for the year ended December 31, 2013:

Payable January 1, 2013	\$ 110,000
Retired	110,000
Payable December 31, 2013	<u>\$ -</u>

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2013
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The District uses the following budget practices:

A budget is adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at year end.

On or before the last meeting of each year, the budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The appropriated budget is prepared by fund and function. The proposed budget is presented to the District's Board of Commissioner for review. The board holds a public hearing and may add to, subtract from, or change appropriations, but may not change form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations by more than five percent.

Encumbrance accounting is not used.

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 8 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date that the financial statements were available to be issued, April 2, 2014, and determined that no events occurred that required recording or disclosure in the financial statements for the year ended December 31, 2013.

REQUIRED SUPPLEMENTAL INFORMATION

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenue:				
Ad valorem taxes	\$ 457,000	\$ 454,000	\$ 465,695	\$ 11,695
State revenue sharing	3,060	6,760	6,760	-
Fire tax rebate	9,850	11,281	11,282	1
Grants	25,000	8,000	8,000	-
Interest	4,000	2,390	3,144	754
Miscellaneous	550	6,320	6,318	(2)
Total revenues	<u>499,460</u>	<u>488,751</u>	<u>501,199</u>	<u>12,448</u>
Expenditures:				
Governmental				
General government	216,800	229,480	203,984	25,496
Capital outlay	282,660	259,271	39,470	219,801
Total expenditures	<u>499,460</u>	<u>488,751</u>	<u>243,454</u>	<u>245,297</u>
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	257,745	257,745
Fund balance at beginning of year	<u>2,400,779</u>	<u>2,400,779</u>	<u>2,400,779</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,400,779</u>	<u>\$ 2,400,779</u>	<u>\$ 2,658,524</u>	<u>\$ 257,745</u>

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**SCHEDULE OF GENERAL GOVERNMENT EXPENDITURES - BUDGET
AND ACTUAL (GAAP BUDGETARY BASIS) - GENERAL FUND
Year Ended December 31, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Accounting	\$ 3,250	\$ 3,250	\$ 3,250	\$ -
Bad debt	6,000	6,000	962	5,038
Deductions from ad valorem taxes - retirement	14,000	14,000	14,714	(714)
Firemen's fee	40,000	38,000	37,762	238
Fuel	10,000	7,200	7,127	73
Insurance	43,000	48,500	48,937	(437)
Maintenance and repairs	4,000	4,000	9,229	(5,229)
Office	5,000	6,500	6,052	448
Service	14,000	12,500	11,646	854
Payroll taxes	1,550	1,550	1,954	(404)
Per diem paid commissioners	3,400	3,740	3,740	-
Salaries	20,088	20,088	20,088	-
Supplies - operating	40,000	52,000	26,440	25,560
Supplies - housekeeping	512	152	285	(133)
Utilities and telephone	12,000	12,000	11,798	202
Total general governmental expenditures	\$ 216,800	\$ 229,480	\$ 203,984	\$ 25,496

The accompanying notes are an integral part of this statement.

SUPPLEMENTAL INFORMATION

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2013
PER DIEM PAID BOARD MEMBERS

The schedule of per diem paid to commissioners was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

As provided by Louisiana Revised Statute 40:1498, each commissioner received \$60 per diem till October 1, 2013 which increased to \$100 per diem for attending regular monthly meetings and special meetings.

	<u>2013</u>
Guy L. Renfrom	\$ 620
Stephen A. Smith	780
Jerry C. Nichols	840
John Louviere	780
Kirby K. LeDoux	<u>720</u>
	<u>\$ 3,740</u>



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 4690
LAKE CHARLES, LOUISIANA 70608-4690
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LAKE CHARLES, LOUISIANA 70605-1825
(337) 477-2827
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LESTER LANGLEY, JR.
DANNY L. WILLIAMS
PHILLIP D. ABBSHIRE, JR.
DAPHNE BORDELON BERKEN

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Calcasieu Parish Ward 7 Fire
Protection District No. 1
Calcasieu Parish Police Jury
Vinton, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Calcasieu Parish Ward 7 Fire Protection District No. 1, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements and have issued our report thereon dated April 2, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. The deficiencies are identified as 13-01(IC) and 13-02(IC).

Compliance and Other Matters

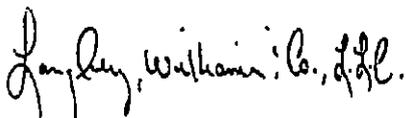
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Calcasieu Parish Ward 7 Fire Protection District No. 1 Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Lake Charles, Louisiana
April 2, 2014

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**SUMMARY SCHEDULE OF CURRENT AND PRIOR AUDIT
FINDINGS AND CORRECTIVE ACTION PLAN**

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Significant deficiency identified? Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses? X Yes No

Noncompliance material to financial statements
noted? Yes X No

Federal Awards

Not applicable

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT FINDINGS
AND CORRECTIVE ACTION PLAN**

For the Year Ended December 31, 2013

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Current year (12/31/2013)						
Internal Control:						
13- 01 (IC)	Unknown	Calcasieu Parish Ward 7 Fire Protection District No. 1 did not have adequate segregation of duties within the accounting system.	No	The District's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered necessary.	John Henderson	NA
13- 02 (IC)	2007	Calcasieu Parish Ward 7 Fire Protection District No. 1 does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The District's management has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with (GAAP) and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	John Henderson	NA
Compliance:						
There were no matters involving compliance to be reported.						
Prior year (12/31/2012)						
Internal Control:						
Same as current year.						
Compliance:						
12- 01 (C)		For the year ended December 31, 2012, actual expenses exceeded budgeted expenses by more than 5%. State law requires that actual revenue and expenditures fall within 5% of budget.	Yes	Monitor budget process carefully to account for the differences between budget and actual	John Henderson	Done