

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

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
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As of and For the Year Ended December 31, 2013

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June 9, 2014

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and the general fund of the Livingston Parish Fire Protection District No. 4, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise 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 Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of Livingston Parish Fire Protection District No. 4, as of December 31, 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

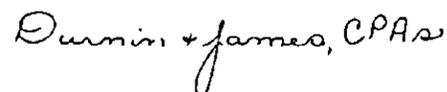
Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2014, on our consideration of the Livingston Parish Fire Protection District No. 4's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Livingston Parish Fire Protection District No. 4's internal control over financial reporting and compliance.

Respectfully submitted,



Durnin & James, CPAs
(A Professional Corporation)

Basic Financial Statements

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Statement of Net Position
December 31, 2013

Exhibit A

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 406,284
Investments	2,387,654
Taxes Receivable, Net	1,790,669
User Fee Receivable, Net	627,517
State Revenue Sharing Receivable	42,372
Prepaid Insurance	39,902
Capital Assets, Net	4,473,080
Total Assets	\$ 9,767,478
Liabilities	
Accounts Payable	\$ 193,195
Accrued Liabilities	27,293
Accrued Vacation	5,955
Bonds Payable:	
Payable Within One Year	138,000
Payable After One Year	144,000
Total Liabilities	\$ 508,443
Net Position	
Net Investment in Capital Assets	\$ 4,191,080
Restricted For:	
Debt Service	143,250
Unrestricted	4,924,705
Total Net Position	\$ 9,259,035

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Statement of Activities
For the Year Ended December 31, 2013

Exhibit B

	<u>Governmental Activities</u>
Expenses:	
Public Safety - Fire Protection:	
Salaries & Related Benefits	\$ 945,603
Depreciation	298,356
Insurance	308,982
Collection Fees	150,523
Repairs & Maintenance	165,285
Fuel & Oil	74,484
Professional Fees	77,926
Supplies	51,833
Utilities	65,579
Bad Debts	51,040
Telephone	32,887
Maintenance Contracts	27,660
Interest	12,025
Miscellaneous	17,280
Office Supplies & Postage	12,100
Training	2,159
Dues & Subscriptions	9,831
Total Program Expenses	<u>2,303,553</u>
 Program Revenues:	
Operating Grants	<u>-</u>
Total Program Revenues	<u>-</u>
Net Program (Expense) / Revenue	(2,303,553)
 General Revenues:	
Ad Valorem Taxes	1,902,266
User Fees	648,760
Fire Insurance Rebate	195,180
State Revenue Sharing	127,116
On Behalf Payments - State Supplemental Pay	23,538
Interest	15,187
Other Revenues	37,738
Total General Revenues	<u>2,949,785</u>
Change in Net Position	646,232
 Net Position - Beginning of Year	 <u>8,612,803</u>
Net Position - End of Year	<u>\$ 9,259,035</u>

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Governmental Fund Balance Sheet
December 31, 2013

Exhibit C

		General Fund
Assets		
Cash and Cash Equivalents	\$	406,284
Investments		2,387,654
Taxes Receivable, Net		1,790,669
User Fee Receivable, Net		627,517
State Revenue Sharing Receivable		42,372
Total Assets		<u>\$ 5,254,496</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	\$	193,195
Accrued Liabilities		27,293
Total Liabilities		<u>220,488</u>
Fund Balance:		
Restricted for Debt Service		143,250
Unassigned		4,890,758
Total Fund Balance		<u>5,034,008</u>
Total Liabilities and Fund Balance		<u>\$ 5,254,496</u>

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
December 31, 2013

Exhibit D

Total Governmental Fund Balance (Exhibit C) \$ 5,034,008

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

Prepaid insurance is not available to pay for current-period expenditures and, therefore, is not reported in the funds. 39,902

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 4,473,080

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

Accrued Vacation (5,955)
Bonds Payable (282,000)

Net Position of Governmental Activities (Exhibit A) \$ 9,259,035

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Statement of Governmental Fund Revenues, Expenditures, and
Change in Fund Balance
For the Year Ended December 31, 2013

Exhibit E

	General Fund
Revenues:	
Ad Valorem Taxes	\$ 1,902,266
User Fees	648,760
Fire Insurance Rebate	195,180
State Revenue Sharing	127,116
On Behalf Payments - State Supplemental Pay	23,538
Interest	15,187
Other Revenues	37,738
Total Revenues	2,949,785
 Expenditures:	
Current:	
Public Safety - Fire Protection:	
Salaries & Related Benefits	945,603
Insurance	315,626
Collection Fees	150,523
Repairs & Maintenance	165,285
Fuel & Oil	74,484
Professional Fees	77,926
Supplies	51,833
Utilities	65,579
Bad Debts	51,040
Telephone	32,887
Maintenance Contracts	27,660
Miscellaneous	17,280
Office Supplies & Postage	12,100
Training	2,159
Dues & Subscriptions	9,831
Debt Service:	
Principal	133,000
Interest	12,025
Capital Outlay	439,189
Total Expenditures	2,584,030
Excess of Revenues over Expenditures	365,755
Fund Balance - Beginning of the Year	4,668,253
Fund Balance - End of the Year	\$ 5,034,008

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

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

Exhibit F

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

Net Change in Fund Balance, Governmental Fund (Exhibit E)	\$	365,755
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Outlay		439,189
Depreciation Expense		(298,356)
Loss on Disposal of Capital Assets		-

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		133,000
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Prepaid insurance is not recorded as an expense in the statement of net position, but requires the use of current financial resources and therefore is reported as an expenditure in the governmental fund. This amount represents the total change in prepaid insurance.		<u>6,644</u>
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Change in Net Position of Governmental Activities (Exhibit B)	\$	<u>646,232</u>
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The accompanying notes are an integral part of these financial statements.

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2013

Narrative Profile

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

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

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Fund Accounting

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

Governmental Funds

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

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2013

C. Measurement Focus / Basis of Accounting

Basic Financial Statements – Government-Wide Financial Statements

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

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

The District does not allocate indirect expenses.

Basic Financial Statements – Governmental Funds

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

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

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2013

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

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

D. Budgets and Budgetary Accounting

The District adopted an operating budget for its General Fund for the fiscal year ended December 31, 2013. The budget for this fund is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The District follows these procedures in establishing the budgetary data reflected in these financial statements:

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

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

E. Deposits and Investments

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

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2013

F. Receivables and Payables

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

Property Taxes

For the year 2013, taxes of 9.33 mills were levied on property within the District's boundaries. Total taxes levied were \$1,862,144. At December 31, 2013, the ad valorem tax receivable was \$1,862,144. Ad valorem taxes receivable at December 31, 2013, are recorded net of a 4.0% allowance for uncollectible taxes (\$74,486).

User Fees

For the year 2013, a user fee of \$32 was assessed on each household within the District's boundaries. Total fees levied were \$653,664. At December 31, 2013, the user fee receivable was \$653,664. User fees receivable at December 31, 2013, are recorded net of a 4% allowance for uncollectible fees (\$26,147).

State Revenue Sharing

For the year 2013, the District received \$127,116 in Louisiana State Revenue Sharing. At December 31, 2013, state revenue sharing receivable totaled \$42,372. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing.

G. Prepaid Items

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

H. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value at the date of donation. At December 31, 2013, the District did not have a formal capitalization policy establishing a capitalization / expense threshold.

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2013

I. Compensated Absences

At December 31, 2013, the District has no plan or provision for compensated absences, pension plan, or other post employment benefits. Vacation time cannot be accumulated and must be taken by the end of the year. There is no provision for leave carryover; therefore, leave accruals are not necessary.

J. Long-Term Obligations

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

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

K. Fund Balance

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable fund balances are associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority).
4. Assigned fund balances are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balances are the residual classification for the District's general fund and include all spendable amounts not contained in the other classifications.

The District's policy is to apply expenditures against nonspendable, restricted, committed, assigned, and unassigned fund balances, in that order, at the end of the fiscal year by adjusting journal entries.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2013

fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

As of December 31, 2013, the District did not have any nonspendable, committed, or assigned fund balances.

L. Restricted Net Position

GASB has issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows or Resources, and Net Position*, which provides guidance for reporting deferred outflows or resources, deferred inflows or resources, and net position in a statement of financial position and related disclosures. For the government-wide statement of net position, equity is classified and displayed in three components:

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

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.

M. 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, the disclosure of contingent 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.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year-end. See Note 1-D regarding operating budgets. The District complied with the Louisiana Local Government Budget Act in adopting its budget for the year ended December 31, 2013. The District reported favorable variances in expenditures over appropriations for the fiscal year ended December 31, 2013.

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2013

B. Deposits and Investment Laws and Regulations

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

C. Deficit Fund Equity

As of December 31, 2013, the District's general fund did not have a deficit fund equity.

3. Cash, Cash Equivalents, and Investments

As reflected on Exhibit A, the District has cash and cash equivalents totaling \$406,284 and investments totaling \$2,387,654 at December 31, 2013. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The following is a summary of cash and investments at December 31, 2013, with the related federal deposit insurance and pledge securities:

Bank Balances:	
Insured (FDIC Insurance)	\$ 411,093
Uninsured and Collateralized:	
Collateral held by pledging bank's trust department not in the District's name	161,093
Uninsured and Uncollateralized	-
Total Deposits	<u>\$ 572,186</u>

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of December 31, 2013, the District was in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2013

At December 31, 2013, the District's investment balances are as follows:

	Reported Amount	Fair Value
Louisiana Asset Management Pool:		
Operating Fund	\$ 2,283,748	\$ 2,283,748
Capital Outlay Fund	103,906	103,906
Total	\$ 2,387,654	\$ 2,387,654

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

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

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

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

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

Concentration of Credit Risk: Pooled investments are excluded from the 5% disclosure requirement. Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments was 59 days as of September 24, 2013.

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

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

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

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2013

4. Receivables

Receivables represent revenues earned in 2013 and received in 2014 as follows:

Property Tax Receivable	\$ 1,862,144
State Revenue Sharing Receivable	42,372
User Fees Receivable	653,664
Other Receivable	3,011
Allowance for Uncollectible Tax	<u>(100,633)</u>
Receivables at December 31, 2013, Net	<u>\$ 2,460,558</u>

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

5. Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets:				
Land	\$ 410,127	\$ 23,294	\$ -	\$ 433,421
Furniture & Fixtures	1,626,961	70,339	-	1,697,300
Buildings	1,759,954	1,117,905	-	2,877,859
Construction in Progress	932,349	177,335	1,109,684	-
Equipment/Vehicle	<u>3,000,940</u>	<u>160,000</u>	<u>-</u>	<u>3,160,940</u>
Total Capital Assets	7,730,331	1,548,873	1,109,684	8,169,520
Accumulated Depreciation:				
Furniture & Fixtures	(1,142,200)	(87,636)	-	(1,229,836)
Buildings	(315,085)	(65,625)	-	(380,710)
Equipment / Vehicle	<u>(1,940,799)</u>	<u>(145,095)</u>	<u>-</u>	<u>(2,085,894)</u>
Total Accumulated Depreciation	<u>(3,398,084)</u>	<u>(298,356)</u>	<u>-</u>	<u>(3,696,440)</u>
Total	<u>\$ 4,332,247</u>	<u>\$ 1,250,517</u>	<u>\$ 1,109,684</u>	<u>\$ 4,473,080</u>

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

Description	Estimated Lives
Buildings and Building Improvements	10 - 40 Years
Furniture and Fixtures	5 - 10 Years
Vehicles	5 - 15 Years
Equipment	5 - 10 Years

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2013

6. Payables

Accounts payables at December 31, 2013 are as follows:

Vendor and Other Payables	\$	20,370
Tax Collector Fees Payable		75,302
Pension Fund Deductions Payable		72,672
User Fees Assessment Charges		24,851
Total	\$	<u>193,195</u>

7. Long-Term Obligations

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

Type of Debt	Balance at 01/01/13	Debt Issued	Debt Retired	Balance at 12/31/2013	Due Within One Year
Certificates of Indebtedness	\$ 415,000	\$ -	\$ 133,000	\$ 282,000	\$ 138,000
	\$ 415,000	\$ -	\$ 133,000	\$ 282,000	\$ 138,000

Long-term debt at December 31, 2013, is comprised of the following:

Certificate of Indebtedness:

\$1,000,000 of certificates of indebtedness dated March 19, 2007; To be repaid from a pledge of the proceeds of a ten mill special tax levy through the year 2014; With interest at 5%.

\$ 282,000

Payments of the Certificate of Indebtedness principal and interest are secured by a pledge of the proceeds of the ten mill, ten year property tax approved by the voters in the District on September 18, 2004.

The annual requirements to amortize all debt outstanding at December 31, 2013, including interest payments of \$6,150 are as follows:

December 31,	Principal	Interest	Total
2014	138,000	5,250	143,250
2015	144,000	900	144,900
Total	\$ 282,000	\$ 6,150	\$ 288,150

Livingston Parish Fire Protection District No. 4

Walker, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2013

8. Pension Plan

Plan Description. The District contributes to the Firefighters' Retirement System of Louisiana (the System), a cost-sharing, multiple-employer defined benefit pension plan. The plan is administered by a board of trustees. The plan provides retirement benefits, deferred and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Act 434 of the 1979 Louisiana Legislative Session established the System. The System is governed by LRS 11:2251 through 11:2269, specifically, and other general laws of the State of Louisiana.

The benefits of the System are available to employees with 20 or more years of service who have attained age 50, employees who have 12 years of service who have attained age 55, or 25 years of service at any age. Benefits equal to 3 1/3% of the employees average compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Benefits are established by state statute. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions, are payable to the surviving spouse and minor children.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, LA 70809.

Funding Policy. Plan members of the System are required by the plan to contribute 8% of their gross pay (for those above the federal poverty level) and 10% (for those below the federal poverty level). The employer rate was 28.25% for those above the federal poverty level and 30.25% for those below the federal poverty level.

The District's contribution requirements are determined by actuarial valuation and are subject to change based on the results of the valuation for the prior year. Differences from the actuarially required contribution rate may arise due to state law that requires employer contribution rates be calculated and set two years prior to the year effective. The District's contributions to the plan for the years ending December 31, 2013, 2012, and 2011 were \$23,146, \$17,226, and \$15,739, respectively, and equaled the required contributions for each year.

9. Deferred Compensation Plan

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

During 2013, the District's rate of contribution to the plan was 11.8% of gross wages. The District's total contributions made to the plan were \$19,815 for the year ended December 31, 2013.

Livingston Parish Fire Protection District No. 4

Walker, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2013

10. On-Behalf Payments

Supplementary salary payments are made by the State of Louisiana directly to certain District employees. The District is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is actual contributions made by the State. For the fiscal year ended December 31, 2013, the State paid supplemental salaries to the District's employees in the amount of \$23,308.

11. Compensation Paid to Board Members

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

Robert Dugas, Chairman	\$	-
Jeffrey S. Easley, Vice-Chairman		-
Darren L. Blevins, Board Member		275
Leslie A. Falks, Board Member		222
James W. Rawls, Sr., Board Member		360
Total	<u>\$</u>	<u>857</u>

12. Contingent Liabilities

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

13. Subsequent Events

There are no subsequent events as of the date of this report that would alter or materially affect the financial data disclosed in this report.

Required Supplemental Information:
Budgetary Comparison Schedule

Livingston Parish Fire Protection District No. 4

Schedule 1

Walker, Louisiana

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget Favorable / (Unfavorable)</u>
Revenues:				
Ad Valorem Taxes	\$ 1,740,000	\$ 1,765,700	\$ 1,902,266	\$ 136,566
User Fees	600,000	618,700	648,760	30,060
Fire Insurance Rebate	163,000	195,180	195,180	-
State Revenue Sharing	132,000	127,116	127,116	-
On Behalf Payments	24,000	24,000	23,538	(462)
Interest	16,500	14,318	15,187	869
Other Revenues	10,000	25,785	37,738	11,953
Total Revenues	<u>2,685,500</u>	<u>2,770,799</u>	<u>2,949,785</u>	<u>178,986</u>
Expenditures:				
Current:				
Public Safety - Fire Protection:				
Salaries & Related Benefits	865,300	927,330	945,603	(18,273)
Insurance	313,373	317,286	315,626	1,660
Collection Fees	97,500	136,992	150,523	(13,531)
Repairs & Maintenance	122,200	164,401	165,285	(884)
Fuel & Oil	79,800	71,628	74,484	(2,856)
Professional Fees	157,700	83,760	77,926	5,834
Supplies	74,500	55,017	51,833	3,184
Utilities	50,200	64,735	65,579	(844)
Bad Debts	-	-	51,040	(51,040)
Telephone	33,000	33,500	32,887	613
Maintenance Contracts	30,000	27,127	27,660	(533)
Miscellaneous	19,200	17,268	17,280	(12)
Office Supplies & Postage	21,250	11,103	12,100	(997)
Training	15,250	1,890	2,159	(269)
Dues & Subscriptions	10,000	9,570	9,831	(261)
Debt Service:				
Principal	133,000	133,000	133,000	-
Interest	12,025	12,025	12,025	-
Capital Outlay	1,739,080	569,188	439,189	129,999
Total Expenditures	<u>3,773,378</u>	<u>2,635,820</u>	<u>2,584,030</u>	<u>51,790</u>
Net Change in Fund Balance	(1,087,878)	134,979	365,755	230,776
Fund Balance:				
Beginning of the Year	<u>4,668,253</u>	<u>4,668,253</u>	<u>4,668,253</u>	<u>-</u>
End of the Year	<u>\$ 3,580,375</u>	<u>\$ 4,803,232</u>	<u>\$ 5,034,008</u>	<u>\$ 230,776</u>

See auditor's report.

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

Durnin & James

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Jared R. Lauderdale, CPA

June 9, 2014

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the general fund of the Livingston Parish Fire Protection District No. 4, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Livingston Parish Fire Protection District No. 4's basic financial statements, and have issued our report thereon dated June 9, 2014.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Livingston Parish Fire Protection District No. 4's financial statements are free of 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*.

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Durnin & James, CPAs".

Durnin & James, CPAs
(A Professional Corporation)

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Schedule of Findings, Recommendations, and Responses
For the Year Ended December 31, 2013

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2013

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>
<u>Internal Control over Financial Reporting</u>			
2011-01	December 31, 2011	Internal Controls over Cash Disbursements	All invoices approved for payment in accordance with established internal control procedures

Compliance and Other Matters

None

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