

FIRE PROTECTION DISTRICT NO. SEVEN  
OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 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 FEB 19 2014

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**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
 1904-1984  
 John Newton Stout, CPA  
 1936-2005  
 Chizal S. Fontenot, CPA  
 1955-2012

Retired

Harold Dupre, CPA  
 1996  
 Dwight Ledoux, CPA  
 1998  
 Joel Lanclos, Jr., CPA  
 2003  
 Russell J. Stally, CPA  
 2005

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

The Board of Commissioners  
 Fire Protection District No. Seven  
 of St. Landry Parish  
 Morrow, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and each major fund of Fire Protection District No. Seven of St. Landry Parish, a component unit of the St. Landry Parish Government, as of and for the year ended June 30, 2013, which collectively comprise the Fire District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Fire Protection District No. Seven. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

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

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated December 30, 2013, on the results of our agreed-upon procedures.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The budgetary comparison information on page 18 is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subject to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. 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, economic, or historical context.

The Board of Commissioners  
Fire Protection District No. Seven  
of St. Landry Parish  
Page 2

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated December 30, 2013 on the results of our agreed-upon procedures.

*John S. Dawling & Company*

Opelousas, Louisiana  
December 30, 2013

**BASIC FINANCIAL STATEMENTS**

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

**FIRE PROTECTION DISTRICT NO. SEVEN**  
**OF ST. LANDRY PARISH**  
**MORROW, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

**GOVERNMENTAL ACTIVITIES**

**ASSETS**

Cash and cash equivalents	\$ 86,535
Property taxes receivable, net	15,276
Capital assets, net	257,555
Restricted cash and cash equivalents	60,839
<b><u>Total assets</u></b>	<b><u>420,205</u></b>

**LIABILITIES**

Accounts payable	47,379
Long-term liabilities	
Due within one year	17,000
Due in more than one year	158,000
<b><u>Total liabilities</u></b>	<b><u>222,379</u></b>

**NET POSITION**

Net investment in capital assets	82,555
Restricted for construction	47,379
Restricted for construction/equipment	13,460
Unrestricted	54,432
<b><u>Total net position</u></b>	<b><u>197,826</u></b>

See accompanying notes and accountant's review report.

FIRE PROTECTION DISTRICT NO. SEVEN  
OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

<u>ACTIVITIES</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION GOVERNMENTAL ACTIVITIES</u>
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>		
<u>Governmental Activities</u>					
Public safety - fire	\$ 37,778	\$ -	\$ -	\$ -	\$ (37,778)
<u>Total governmental activities</u>	<u>37,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,778)</u>
General revenues					
Property taxes					122,060
Intergovernmental					7,733
Interest and investment earnings					20
Donation of fixed assets					10,000
Miscellaneous					150
<u>Total general revenues</u>					<u>139,963</u>
Change in net position					102,185
Net position – July 1, 2012					<u>95,641</u>
Net position – June 30, 2013					<u>197,826</u>

See accompanying notes and accountant's review report.

**FUND FINANCIAL STATEMENTS**

FIRE PROTECTION DISTRICT NO. SEVEN  
OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2013

	<u>General</u>
 <b><u>ASSETS</u></b>	
Cash	\$ 86,535
Property taxes receivable, net	15,276
Restricted cash	60,839
<u>Total assets</u>	162,650
 <b><u>LIABILITIES AND FUND EQUITY</u></b>	
<b><u>LIABILITIES</u></b>	
Construction payable	\$ 47,379
<u>Total liabilities</u>	47,379
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Unavailable revenues-property taxes	15,570
<u>Total deferred inflows of resources</u>	15,570
 <b><u>FUND BALANCE</u></b>	
Unassigned	38,862
Restricted for construction	47,379
Restricted for construction/equipment	13,460
<u>Total fund balance</u>	99,701
<u>Total liabilities and fund balance</u>	162,650

See accompanying notes and accountant's review report.

FIRE PROTECTION DISTRICT NO. SEVEN  
OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013

Total fund balance for the governmental fund at June 30, 2013		\$ 99,701
The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current-period expenditures are deferred in governmental funds.		15,570
Cost of capital assets at June 30, 2013	\$ 298,295	
Less: Accumulated depreciation as of June 30, 2013	<u>(40,740)</u>	257,555
Long-term liabilities, including bonds and notes payable are not due and payable in the current period and, therefore, are not reportable in the funds: Bonds payable		<u>(175,000)</u>
Net position at June 30, 2013		<u><u>197,826</u></u>

See accompanying notes and accountant's review report.

**FIRE PROTECTION DISTRICT NO. SEVEN  
OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>General</u>
<b><u>REVENUES</u></b>	
Taxes	
Property taxes	\$ 106,490
Intergovernmental	
Morrow water system	3,132
Fire insurance tax	4,601
Other revenue	
Interest earnings	20
Miscellaneous	150
<u>Total revenues</u>	<u>114,393</u>
<b><u>EXPENDITURES</u></b>	
Public safety	
Current	
Office supplies	846
Advertising	479
Bank fees	30
Secretary of state	2,865
Meals	27
Telephone	1,121
Utilities	365
Insurance	7,567
Miscellaneous expense	458
Postage	58
Fuel and oil	1,351
Truck repairs	7,849
Building Maintenance	2,359
Legal	3,615
Truck miscellaneous	676
Grant expense	1,000
Lease expense	100
Capital outlay	
Trucks and equipment	169,295
<u>Total expenditures</u>	<u>200,061</u>
<u>Excess (deficiency) of revenue     over (under) expenditures</u>	<u>(85,668)</u>
<b><u>OTHER FINANCING SOURCES:</u></b>	
Proceeds from certificate of indebtedness	175,000
Donation of fixed assets	10,000
<u>Total other financing sources</u>	<u>185,000</u>
Net change in fund balance	99,332
<b><u>FUND BALANCE</u></b> , beginning of year	<u>369</u>
<b><u>FUND BALANCE</u></b> , end of year	<u>99,701</u>

See accompanying notes and accountant's review report.

FIRE PROTECTION DISTRICT NO. SEVEN  
OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

Total net change in fund balance for the year ended June 30, 2013 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 99,332
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.		15,570
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$169,295	
Depreciation expense for year ended June 30, 2013	<u>(7,012)</u>	162,283
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Fund, but the repayment reduces long-term liabilities in the Statement of Net Position		
Issuance of debt		<u>(175,000)</u>
Total change in net position for the year ended June 30, 2013 per Statement of Activities		<u>102,185</u>

See accompanying notes and accountant's review report.

**FIRE PROTECTION DISTRICT NO. SEVEN OF ST. LANDRY PARISH**  
**MORROW, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Fire Protection District No. Seven of St. Landry Parish has been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The following is a summary of certain significant accounting policies and practices of the Fire Protection District No. Seven of St. Landry Parish.

**A. FINANCIAL REPORTING ENTITY**

The basic entity being reported on is Fire Protection District No. Seven of St. Landry Parish (Fire District), which is a political subdivision of the state of Louisiana, was created by a resolution of the St. Landry Parish Police Jury on January 9, 1995. The Fire District is governed by a Board of Commissioners. The Fire District was created for the purpose of acquiring, maintaining, and operating buildings, machinery, equipment, water tanks, water hydrants, and water lines and any other such thing necessary to provide proper fire prevention and control within the Fire District's limits. The Fire District is financed primarily by parish ad valorem taxes which are dedicated for fire expenditures and debt service.

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Government is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (parish government), (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 St. Landry Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the parish government 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 parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
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.

FIRE PROTECTION DISTRICT NO. SEVEN OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. FINANCIAL REPORTING ENTITY – Continued**

Because the parish government appoints a voting majority of the Fire District's governing body and the parish government has the ability to impose its will on the Fire District, the Fire District was determined to be a component unit of the St. Landry Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Fire District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of Fire Protection District No. Seven of St. Landry Parish, the primary government, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS.

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 specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**FUND FINANCIAL STATEMENTS**

The accounts of the Fire District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Fire District are classified as governmental. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Fire District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of individual governmental funds are at least 10 percent of the corresponding total for all funds of that category or type; and

FIRE PROTECTION DISTRICT NO. SEVEN OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION - Continued

FUND FINANCIAL STATEMENTS - Continued

- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental funds are at least 5 percent of the corresponding total for all governmental funds combined.

The Fire District reports the following major governmental fund:

Governmental Fund

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

MEASUREMENT FOCUS

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

FIRE PROTECTION DISTRICT NO. SEVEN OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – Continued

BASIS OF ACCOUNTING

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

D. CASH AND INVESTMENTS

Under state law the Fire District may deposit funds with any bank located within the state and organized under the laws of the state of Louisiana, any other state in the union, or under the laws of the United States. Further, the Fire District may invest in time deposits or certificates of deposit of those banks.

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100% of the uninsured amount on deposit with the bank.

At year-end, the carrying amount of the Fire District's cash was \$147,374. The bank balance of cash was \$148,581. All of the bank balance was covered by federal depository insurance.

E. CAPITAL ASSETS

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment and furniture	10 years
Trucks	15-20 years

FIRE PROTECTION DISTRICT NO. SEVEN OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. CAPITAL ASSETS – Continued**

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Construction period interest is capitalized if material amounts of interest resulting from borrowings in the course of the construction of fixed assets is incurred. No interest was capitalized for the year ended June 30, 2013.

**F. BUDGETS AND BUDGETARY ACCOUNTING**

The Fire District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The budget must be finally adopted by the Fire District no later than the last day of the preceding year.
2. The Board of Commissioners may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
3. Operating appropriations lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
4. Budgets are adopted on a modified accrual basis.

**G. VACATION, SICK LEAVE, AND PENSION PLAN**

The Fire District does not accrue unused vacation and sick leave, nor did it have a pension plan for the year ended June 30, 2013.

**H. ENCUMBRANCES**

Encumbrance accounting is not used by the Fire District.

**I. LONG-TERM DEBT**

*The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.*

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements.

Long-term debt for the governmental fund is not reported as liabilities in the fund financial statements.

FIRE PROTECTION DISTRICT NO. SEVEN OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. EXPENDITURES AND EXPENSES**

**Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, governmental funds report expenditures of financial resources.

**K. EQUITY CLASSIFICATIONS**

In the government-wide statements, equity is classified as net position 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 net position** - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. **Unrestricted net position** - All other net positions that do not meet the definition of "restricted" or "invested in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for Seven classifications of fund balances based on the constraints imposed on the use of these resources. Proprietary fund equity is classified the same as in the government-wide statements.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

1. **Restricted fund balance** – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions for enabling legislation.
2. **Committed fund balance** – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Directors – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

FIRE PROTECTION DISTRICT NO. SEVEN OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. EQUITY CLASSIFICATIONS – Continued**

3. Assigned fund balance – This classification reflects the amounts constrained by the Fire District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Directors have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Fire District's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

**L. 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 and 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.

**NOTE 2 - PROPERTY TAXES**

The Fire District's property tax is collected by an intermediary government and remitted on a monthly basis. The intermediary government maintains the tax roll for property taxes for the Fire District. The property tax, levied for the calendar year, is due to the intermediary government on or before December 31 and becomes delinquent on January 1. The taxes are generally collected in December of the current year and January and February of the ensuing year. For the year ended June 30, 2013, taxes of 10.00 mills were levied for maintenance.

The taxpayers of Fire Protection District No. Seven approved, at a special election held on April 21, 2012, a maintenance tax millage of 10.00 to be assessed for a ten year period beginning with the 2012 tax year.

As per state requirements, each taxing district of the parish must remit a portion of total ad valorem taxes to the pension fund. This amount is determined by the legislative auditor each year and is to be taken out of the first month of collections of property taxes. If the collections from the first month are not sufficient to cover the pension fund deduction, then the remainder must be deducted from subsequent collections of the property taxes.

All accounts and property tax receivables are shown net of any allowance for uncollectable accounts. Property taxes receivable for the governmental fund types, which have been remitted within 60 days subsequent to year end, are considered measurable and available and recognized as revenues. All other property taxes are offset by deferred property tax inflows of resources and, accordingly, have not been recorded as revenue.

**FIRE PROTECTION DISTRICT NO. SEVEN OF ST. LANDRY PARISH**  
**MORROW, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 2 - PROPERTY TAXES (Continued)**

Since the Sheriff of the parish collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the pension fund amount owed and the remainder is remitted to the taxing district. Therefore, property taxes are shown net of pension fund distributions. A breakdown of property taxes receivable as of June 30, 2013 is as follows:

	<u>Total Tax Per Roll</u>	<u>Pension Fund Requirements</u>	<u>Estimated Uncollectible</u>	<u>Collected in December</u>	<u>Net Tax Receivable</u>
General Fund	\$ 126,281	\$3,910	\$312	\$106,783	\$ 15,276

**NOTE 3 - CHANGES IN LONG-TERM DEBT**

On February 27, 2013, Fire Protection District No. Seven of St. Landry Parish incurred an indebtedness of \$175,000 in series 2013 Certificate of Indebtedness for the purpose of acquiring and constructing fire protection facilities and equipment in and for the District. The bonds consist of \$175,000 at 2.25%. Pursuant to a special election held on April 21, 2012, the issuer was authorized to levy a special tax of 10.00 mills in the years 2012 through 2021, inclusive, for the purpose of paying the bonds.

Excess cash in the account is restricted for the purpose set forth in the bond.

A summary of changes in long-term debt is as follows:

<u>Description of Debt</u>	<u>Balance 7/1/2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 6/30/2013</u>
\$175,000 - 2013 Certificate of indebtedness at 2.25%	\$ -	\$175,000	\$ -	\$ 175,000
	-	175,000	-	175,000

The annual requirements to retire debt as of June 30, 2013 are as follows:

<u>Certificate of Indebtedness Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 17,000	\$ 3,730	\$ 20,730
2015	18,000	3,555	21,555
2016	18,000	3,150	21,150
2017	19,000	2,745	21,745
2018	19,000	2,318	21,318
2019-2022	84,000	4,792	88,792
<u>Total</u>	<u>175,000</u>	<u>20,290</u>	<u>195,290</u>

**FIRE PROTECTION DISTRICT NO. SEVEN OF ST. LANDRY PARISH**  
**MORROW, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 4 - CAPITAL ASSETS**

Capital assets and depreciation activity, as of and for the year ended June 30, 2013, for Fire Protection District No. Seven of St. Landry Parish are as follows:

<u>Description of Debt</u>	<u>Balance 7/1/2012</u>	<u>Purchases</u>	<u>Deletions</u>	<u>Balance 6/30/2013</u>
Governmental activities				
Buildings	\$ -	\$ 149,647	\$ -	\$ 149,647
Equipment and furniture		9,648	-	9,648
Trucks	129,000	10,000	-	139,000
Land	-	-	-	-
<u>Totals at historical cost</u>	<u>129,000</u>	<u>169,295</u>	<u>-</u>	<u>298,295</u>
Less accumulated depreciation				
Buildings	-	623	-	623
Equipment and furniture	-	-	-	-
Trucks	33,728	6,389	-	40,117
<u>Total accumulated depreciation</u>	<u>33,728</u>	<u>7,012</u>	<u>-</u>	<u>40,740</u>
Governmental activities Capital assets, net	<u>95,272</u>	<u>162,283</u>	<u>-</u>	<u>257,555</u>

Depreciation expense was charged to governmental activities as follows:

Public safety – fire                      \$ 7,012

**NOTE 5 - DEFICITS IN INDIVIDUAL FUNDS**

The Fire District does not have a deficit fund balance for the year ended June 30, 2013.

**NOTE 6 - SUBSEQUENT EVENTS**

Subsequent events were evaluated through December 30, 2013, the date which the financial statements were available to be issued. As of December 30, 2013, there are no subsequent events noted.

**NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

The Fire Protection District No. 7 of St. Landry Parish does not provide any post-employment benefits to retirees other than pension and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

FIRE PROTECTION DISTRICT NO. SEVEN OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2013

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 89,000	\$ 79,162	106,490	\$ 27,328
Inergovernmental				
Morrow water system	3,500	2,328	3,132	804
Fire insurance tax	4,500	3,420	4,601	1,181
Other revenue				
Interest earnings	-	-	20	20
Miscellaneous	-	-	150	150
<b>Total revenues</b>	<b>97,000</b>	<b>84,910</b>	<b>114,393</b>	<b>29,483</b>
<b>EXPENDITURES</b>				
Public safety – fire				
Current				
Office supplies	-	-	846	(846)
Advertising	-	-	479	(479)
Bank fees	-	-	30	(30)
Secretary of state	-	-	2,865	(2,865)
Meals	-	-	27	(27)
Telephone	2,263	2,263	1,121	1,142
Utilities	737	737	365	372
Insurance	7,500	7,500	7,567	(67)
Miscellaneous expense	-	-	458	(458)
Postage	-	-	58	(58)
Fuel and oil	4,000	4,000	1,351	2,649
Truck repairs	5,000	5,000	7,849	(2,849)
Building Maintenance	3,000	3,000	2,359	641
Legal	-	-	3,615	(3,615)
Truck miscellaneous	5,000	5,000	676	4,324
Grant expense	-	-	1,000	(1,000)
Lease expense	-	-	100	(100)
Capital outlay	-	-	-	-
Trucks and equipment	12,500	12,500	169,295	(156,795)
<b>Total expenditures</b>	<b>40,000</b>	<b>40,000</b>	<b>200,061</b>	<b>(160,061)</b>
<b>Excess (deficiency) of revenue over (under) expenditures</b>				
	57,000	44,910	(85,668)	(130,578)
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from certificate of indebtedness				
	-	130,090	175,000	44,910
Donation of fixed assets				
	-	-	10,000	10,000
<b>Total other financing sources</b>	<b>-</b>	<b>130,090</b>	<b>185,000</b>	<b>54,910</b>
Net change in fund balance			99,332	
<b>FUND BALANCE, beginning of year</b>			<b>369</b>	
<b>FUND BALANCE, end of year</b>			<b>99,701</b>	

See accountant's report.

OTHER SUPPLEMENTARY INFORMATION

James L. Nicholson, Jr., CPA  
G. Kenneth Pavy, II, CPA  
Michael A. Roy, CPA  
Lisa Trouille Manuel, CPA  
Dana D. Quebedeaux, CPA



**JOHN S. DOWLING & COMPANY**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

19

John S. Dowling, CPA  
1904-1984  
John Newton Stout, CPA  
1936-2005  
Chizal S. Fortenot, CPA  
1955-2012

Retired

Harold Dupre, CPA  
1996  
Dwight Ledoux, CPA  
1998  
Joel Lanclos, Jr., CPA  
2003  
Russell J. Stelly, CPA  
2005

**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

The Board of Commissioners  
Fire Protection District No. Seven  
of St. Landry Parish  
Morrow, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Fire Protection District No. Seven of St. Landry Parish and the Legislative Auditor, state of Louisiana, solely to assist the users in evaluating management's assertions about Fire Protection District No. Seven's compliance with certain laws and regulations during the year ended June 30, 2013 included in the accompanying Louisiana Attestation Questionnaire. Management of Fire Protection District No. Seven is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Public Bid Law**

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

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

**Code of Ethics for Public Officials and Public Employees**

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

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

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

The Fire District has no employees.

The Board of Commissioners  
Fire Protection District No. Seven  
of St. Landry Parish  
Page 2

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

The Fire District has no employees.

Budgeting

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

Management provided us with a copy of the original budget and amendments.

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

The adoption of the original budget was traced to the minutes of the meeting held on June 10, 2012. A request for an amendment to the budget was traced to the minutes of the meeting held on February 27, 2013.

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

We compared the revenues and expenditures of the General Fund's final budget to actual revenues and expenditures. Budgeted revenues of the General Fund did not exceed actual revenues. Actual expenditures of the General Fund exceeded budgeted expenditures by 400.15%.

Management's response: It is now our policy to amend current budgets any time the expenditures are expected to exceed budgeted revenues by five (5) percent. The failure to do so for 2012-2013 was an oversight.

Accounting and Reporting

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

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

We examined supporting documentation for each of the 6 selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

Payments were properly coded to the correct fund and general ledger account.

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

All payments were properly approved by the Board of Commissioners.

The Board of Commissioners  
Fire Protection District No. Seven  
of St. Landry Parish  
Page 3

Meetings

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

Fire Protection District No. Seven of St. Landry Parish is only required to post a notice of each meeting and the accompanying agenda. The Fire District has not complied with R.S. 42:19

Management's response: It is now our policy to post all meetings as required by the Open Meetings Law, R.S. 42-19. Postings are now being made ten (10) days prior to each meeting.

Debt

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

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness which were not disclosed by the Board of Commissioners prior to the start of fieldwork.

Advances and Bonuses

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

The Fire District does not have employees and a reading of the minutes of the Fire District for the year indicated no approval for any such payments noted.

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

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

Opelousas, Louisiana  
December 30, 2013

*John S. Darling & Company*

FIRE PROTECTION DISTRICT NO. SEVEN OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2013

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Compliance

2013-1 Budget Presentation

Finding: The budget format was not properly prepared according to the Louisiana Local Governmental Budget Act, RS 39:1305(C)(2)(a).

Management's response: We failed to prepare our 2012-2013 Budget in the format as prescribed by the Louisiana Governmental Budget Act, R.S.39.1305, but we followed these requirement in the preparation of our 2013-2014 Budget, and will continue for all future budgets.

2013-2 Records Retention

Finding: The Fire District has not retained its records for a period of at least three years from the date on which the public record was made.

Management's response: Our present policy is to retain all records for a period of at least three years from the date on which the public record was made as required by R.S. 44.1, 44.7, 44.31 and 44.16.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

N/A

FIRE PROTECTION DISTRICT NO. SEVEN OF ST. LANDRY PARISH  
MORROW, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2012

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Not applicable

SECTION II - FEDERAL AWARDS

Not applicable

SECTION III - MANAGEMENT LETTER

Not applicable

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

9-8-2013 (Date Transmitted)

JOHN S. DOWLING & COMPANY

OPELOUSAS, LA.

ATTN: DANA QUEBEDEAUX, CPA (Auditors)

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

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

**Public Bid Law**

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

Yes  No [ ]

**Code of Ethics for Public Officials and Public Employees**

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

Yes  No [ ]

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

Yes  No [ ]

**Budgeting**

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

Yes  No [ ]

**Accounting and Reporting**

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

Yes [ ] No

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

Yes  No [ ]

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

Yes  No [ ]

**Meetings**

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

Yes [ ] No

**Debt**

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

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

Yes  No [ ]

**Advances and Bonuses**

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

Yes  No [ ]

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

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

*x Dale Beard* Secretary 09-08-2013 Date

Treasurer \_\_\_\_\_ Date

*James Dufour* FIRE CHIEF President 09-08-2013 Date

ADOPTED BY BOARD RESOLUTION DATED 09/08/2013

AYES: 5 NAYS: -0-