

**LIVINGSTON PARISH FIRE PROTECTION DISTRICT No. 9  
MAUREPAS, LOUISIANA**

**REPORT ON REVIEW OF ANNUAL FINANCIAL STATEMENTS AND**

**REPORT ON APPLYING AGREED-UPON PROCEDURES**

**INCLUDING THE LOUISIANA ATTESTATION QUESTIONNAIRE**

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013**

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
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**For The Year Ended December 31, 2013**

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# Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
www.djcpa.com

John N. Durnin, CPA  
Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

Members of  
American Institute of CPAs  
Society of Louisiana CPAs

Jared R. Lauderdale, CPA

June 3, 2014

## Independent Accountant's Review Report

Board of Commissioners  
Livingston Parish Fire Protection District No. 9  
Maurepas, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the general fund of the Livingston Parish Fire Protection District No. 9, Maurepas, Louisiana, a component unit of Livingston Parish Government, as of and for the year ended December 31, 2013, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Livingston Parish Fire Protection District No. 9. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement as a whole. Accordingly, we do not express such an opinion.

The management of the Livingston Parish Fire Protection District No. 9 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information was not audited, reviewed, or compiled by us, and we do not express an opinion or provide any assurance on it.

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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our review of the basic financial statements are not affected by this missing information.

Livingston Parish Fire Protection District No. 9  
June 3, 2014

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated June 3, 2014.

The supplementary information contained in the Independent Accountant's Report on Applying Agreed-Upon Procedures, the Schedule of Current Year Compliance Findings, Recommendations, and Responses, the Summary Schedule of Prior Year Findings, and the Louisiana Attestation Questionnaire are presented for purposes of additional analysis and are not a required part of the basic financial statements. We have not compiled, reviewed, or audited the supplementary information, and do not express an opinion or provide any form of assurance on it.

Respectfully submitted,

A handwritten signature in cursive script that reads "Durnin & James, CPAs". The signature is written in black ink and is positioned above the printed name of the firm.

Durnin & James, CPAs  
(A Professional Corporation)

## **Basic Financial Statements**

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
**Statement of Net Position**  
**December 31, 2013**

Exhibit A

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>Assets</b>                                   |                                    |
| Cash and Cash Equivalents                       | \$ 440,505                         |
| Accounts Receivable, Net                        | 243,840                            |
| Capital Assets, Net of Accumulated Depreciation | <u>672,939</u>                     |
| <b>Total Assets</b>                             | <b><u>\$ 1,357,284</u></b>         |
| <b>Liabilities</b>                              |                                    |
| Accounts Payable and Accrued Expenses           | \$ 8,086                           |
| Payroll Taxes Payable                           | 3,849                              |
| Sheriff's Pension Payable                       | <u>6,607</u>                       |
| <b>Total Liabilities</b>                        | <b><u>\$ 18,542</u></b>            |
| <b>Net Position</b>                             |                                    |
| Net Investment in Capital Assets                | \$ 672,939                         |
| Unrestricted                                    | <u>665,803</u>                     |
| <b>Total Net Position</b>                       | <b><u>\$ 1,338,742</u></b>         |

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
**Statement of Activities**  
**For the Year Ended December 31, 2013**

Exhibit B

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>Expenses:</b>                            |                                    |
| <b>Fire Protection:</b>                     |                                    |
| Collection Fees                             | \$ 8,086                           |
| Equipment Rental                            | 672                                |
| Firefighting Supplies                       | 14,214                             |
| Insurance                                   | 25,369                             |
| Miscellaneous                               | 7,891                              |
| Office Expenses                             | 4,877                              |
| Payroll Taxes                               | 2,390                              |
| Professional Fees                           | 6,614                              |
| Repairs and Maintenance                     | 18,223                             |
| Sheriff's Pension Fund                      | 6,607                              |
| Supplies & Small Equipment                  | 30,035                             |
| Telephone & Utilities                       | 12,087                             |
| Uniforms                                    | 8,371                              |
| Vehicle Expenses                            | 39,025                             |
| Wages                                       | 28,298                             |
| Depreciation                                | <u>85,618</u>                      |
| <b>Total Expenses</b>                       | <b>298,377</b>                     |
| <br>  |                                    |
| <b>Program Revenues:</b>                    |                                    |
| Charges for Services                        | <u>-</u>                           |
| <b>Total Program Revenues</b>               | -                                  |
| <b>Net Program (Expense) / Revenue</b>      | <b>(298,377)</b>                   |
| <br>  |                                    |
| <b>General Revenues:</b>                    |                                    |
| Ad Valorem Taxes                            | 167,103                            |
| User Fee                                    | 67,385                             |
| State Revenue Sharing                       | 2,904                              |
| Fire Insurance Premium Rebate               | 25,113                             |
| Insurance Proceeds                          | 244,718                            |
| Interest Income                             | 858                                |
| Other Income                                | 5,138                              |
| Gain on Sale of Asset                       | <u>8,730</u>                       |
| <b>Total General Revenues</b>               | <b><u>521,949</u></b>              |
| <b>Change in Net Position</b>               | <b>223,572</b>                     |
| <br>  |                                    |
| <b>Net Position - Beginning of the Year</b> | <u>1,115,170</u>                   |
| <b>Net Position - End of the Year</b>       | <b><u>\$ 1,338,742</u></b>         |

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
 Governmental Fund – Balance Sheet  
 December 31, 2013

Exhibit C

|   | <u>General<br/>Fund</u> |
|---|-------------------------|
| <b>Assets</b>                                       |                         |
| Cash and Cash Equivalents                           | \$ 440,505              |
| Receivables (Net of Allowances for Uncollectibles): |                         |
| Ad Valorem Tax                                      | 164,508                 |
| User Fee  | 76,428                  |
| State Revenue Sharing                               | <u>2,904</u>            |
| Total Assets  | <u>\$ 684,345</u>       |
| <b>Liabilities and Fund Balance</b>                 |                         |
| Liabilities:  |                         |
| Accounts Payable and Accrued Expenses               | \$ 8,086                |
| Payroll Taxes Payable                               | 3,849                   |
| Sheriff's Pension Payable                           | <u>6,607</u>            |
| Total Liabilities                                   | <u>18,542</u>           |
| Fund Balance:                                       |                         |
| Unassigned  | <u>665,803</u>          |
| Total Fund Balance                                  | <u>665,803</u>          |
| Total Liabilities and Fund Balance                  | <u>\$ 684,345</u>       |

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
Reconciliation of the Governmental Fund Balance Sheet to the  
Government-Wide Statement of Net Position  
For the Year Ended December 31, 2013

Exhibit D

|  |                   |
|--|-------------------|
| <b>Total Fund Balance, Governmental Fund (Exhibit C)</b> | <b>\$ 665,803</b> |
|--|-------------------|

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

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

|  |                |
|--|----------------|
| Governmental Capital Assets, Net of Depreciation | <u>672,939</u> |
|--|----------------|

|  |                            |
|--|----------------------------|
| <b>Net Position of Governmental Activities (Exhibit A)</b> | <b><u>\$ 1,338,742</u></b> |
|--|----------------------------|

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 9**

Exhibit E

**Maurepas, Louisiana**

**Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance**

**For the Year Ended December 31, 2013**

|  | <u>General<br/>Fund</u>  |
|--|--------------------------|
| <b>Revenues:</b>                                       |                          |
| Ad Valorem Taxes                                       | \$ 167,103               |
| User Fee   | 67,385                   |
| State Revenue Sharing                                  | 2,904                    |
| Fire Insurance Premium Rebate                          | 25,113                   |
| Insurance Proceeds                                     | 244,718                  |
| Interest Income  | 858                      |
| Other Income   | <u>5,138</u>             |
| Total Revenues   | 513,219                  |
| <b>Expenditures:</b>                                   |                          |
| Collection Fees  | 8,086                    |
| Equipment Rental                                       | 672                      |
| Firefighting Supplies                                  | 14,214                   |
| Insurance  | 25,369                   |
| Miscellaneous  | 7,891                    |
| Office Expenses  | 4,877                    |
| Payroll Taxes  | 2,390                    |
| Professional Fees                                      | 6,614                    |
| Repairs and Maintenance                                | 18,223                   |
| Sheriff's Pension Fund                                 | 6,607                    |
| Supplies & Small Equipment                             | 30,035                   |
| Telephone & Utilities                                  | 12,087                   |
| Uniforms   | 8,371                    |
| Vehicle Expenses                                       | 39,025                   |
| Wages  | 28,298                   |
| Capital Outlay   | <u>55,401</u>            |
| Total Expenditures                                     | <u>268,160</u>           |
| Excess of Revenues over Expenditures                   | 245,059                  |
| <b>Other Financing Sources:</b>                        |                          |
| Gain on Sale of Asset                                  | <u>8,730</u>             |
| Total Other Financing Sources                          | <u>8,730</u>             |
| Excess of Revenues and Other Sources over Expenditures | 253,789                  |
| <b>Fund Balance - Beginning of the Year</b>            | <u>412,014</u>           |
| <b>Fund Balance - End of the Year</b>                  | <u><u>\$ 665,803</u></u> |

See accompanying notes and independent accountant's review report.

Livingston Parish Fire Protection District No. 9

Exhibit F

Maurepas, Louisiana

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

**Net Change in Fund Balance, Governmental Fund (Exhibit E)** \$ 253,789

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       | 55,401          |
| Depreciation Expense | <u>(85,618)</u> |

**Change in Net Position of Governmental Activities (Exhibit B)** \$ 223,572

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
Notes to Financial Statements  
For The Year Ended December 31, 2013

**Narrative Profile**

Livingston Parish Fire Protection District No. 9 (the “District”) was created by resolution of the Livingston Parish Government under the authority of Louisiana Revised Statutes (LRS) 40:1492-1505 for the purpose of purchasing fire equipment and providing fire protection for the people of District No. 9 of Livingston Parish. The District is governed by a board of commissioners consisting of five members appointed by the Livingston Parish Government. Members serve staggered five-year terms and receive no compensation for their services. The district has no employees.

The accompanying financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June 1999.

**1. Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

All board members of the District are appointed by the Livingston Parish Council. As the governing authority of the Parish, for reporting purposes, the Livingston Parish Council is the financial reporting entity for Livingston Parish. The financial reporting entity consists of (a) primary government (parish council), (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 statement to be misleading or incomplete. Because the board members of the District are appointed by the Livingston Parish Council, the District was determined to be a component unit of the Livingston Parish Council.

The accompanying basic financial statements present information only on the fund maintained by the District and do not present information on the Livingston Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**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

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
Notes to Financial Statements (Continued)  
For The Year Ended December 31, 2013

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. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

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 non-fiduciary activities of the District. Information contained in these statements 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 revenues, expenditures, and changes in fund balance 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 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 claims and judgments which are recognized when the obligations are expected to be liquidated with

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
Notes to Financial Statements (Continued)  
For The Year Ended December 31, 2013

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. Ad valorem tax revenue, state revenue sharing revenue, and interest revenue are recorded when due. Substantially all other revenues are recorded when received.

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 fund 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 fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities is presented in Exhibit F of the basic financial statements

**D. Budgets and Budgetary Accounting**

Budgetary procedures applicable to the District are defined in state law, LRS 39:1301-15. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District adopts a budget each year for the general fund and special revenue funds, if applicable.
2. The President prepares a proposed budget and submits it to the Board for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction. As the proposed expenditures for the general fund were less than \$500,000, the proposed budget was not published in the official journal.
3. A public hearing on the proposed budget must be held at least ten days after publication of the call for the hearing. A public hearing was not held on the proposed budget because the proposed expenditures for the general fund were less than \$500,000.
4. After the public hearing, the budget is adopted by resolution. All action necessary to adopt and implement the budget must be completed prior to the end of the fiscal year in progress. The budget was adopted on December 4, 2012.
5. The District must certify completion of all actions required to adopt and implement the budget by publishing a notice in the official journal in each parish in which the District has jurisdiction.
6. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The 2013 budget was amended December 9, 2013.

All budgetary appropriations lapse at the end of each fiscal year.

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
Notes to Financial Statements (Continued)  
For The Year Ended December 31, 2013

**E. Cash, Cash Equivalents, and Investments**

The District's cash and cash equivalents are considered to be cash on hand, 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, 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 stated at cost.

**F. Inventory**

Inventories for supplies are immaterial and are recorded as expenditures / expenses when purchased.

**G. Capital Assets**

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

|                      |          |
|----------------------|----------|
| Buildings            | 40 Years |
| Vehicles             | 15 Years |
| Equipment            | 5 Years  |
| Furniture & Fixtures | 5 Years  |

**H. 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).

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
Notes to Financial Statements (Continued)  
For The Year Ended December 31, 2013

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 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, restricted, committed, or assigned fund balances.

**I. 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 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, net of related debt.”

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.

**J. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various 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.

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
Notes to Financial Statements (Continued)  
For The Year Ended December 31, 2013

**2. Levied Taxes**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District during the year and are billed to taxpayers and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and are recognized as revenue when billed. The Livingston Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Livingston Parish Assessor. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2013, the District levied 9.83 mills for a total tax levy of \$171,365.

An annual service charge of \$32 is assessed to persons owning residential or commercial structures whether occupied or unoccupied, located wholly or partly within the boundaries of the District. For 2013, the District had a total service charge levy of \$69,824.

**3. Cash, Cash Equivalents, and Investments**

As reflected on Exhibit A, the District has cash and cash equivalents totaling \$440,505 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 pledged 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 and Investments:   |                   |
| Insured (FDIC Insurance)   | \$ 250,000        |
| Collateralized:  |                   |
| Collateral held by pledging bank's trust department not in the District's name | -                 |
| Uninsured and Uncollateralized   | <u>190,505</u>    |
| Total Deposits   | <u>\$ 440,505</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 not 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. 9**  
**Maurepas, 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:

|   |                   |
|---|-------------------|
| Ad Valorem Taxes                        | \$ 164,508        |
| User Fees                               | 76,428            |
| State Revenue Sharing                   | 2,904             |
| Less: Allowance for Uncollectable Taxes | -                 |
| Accounts Receivable, Net                | <u>\$ 243,840</u> |

**5. Capital Assets**

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

|  | Balance<br>01/01/13 | Increases          | Decreases        | Balance<br>12/31/13 |
|--|---------------------|--------------------|------------------|---------------------|
| <b>Capital Assets not Depreciated:</b> |                     |                    |                  |                     |
| Land                                   | \$ 70,000           | \$ -               | \$ -             | \$ 70,000           |
| Total Capital Assets not Depreciated   | 70,000              | -                  | -                | 70,000              |
| <b>Other Capital Assets:</b>           |                     |                    |                  |                     |
| Buildings                              | 238,652             | 26,392             | -                | 265,044             |
| Equipment                              | 304,842             | 29,008             | -                | 333,850             |
| Vehicles                               | 744,885             | -                  | 135,800          | 609,085             |
| Total Other Capital Assets             | 1,288,379           | 55,400             | 135,800          | 1,207,979           |
| <b>Less Accumulated Depreciation:</b>  |                     |                    |                  |                     |
| Buildings                              | 135,751             | 6,320              | -                | 142,071             |
| Equipment                              | 157,533             | 37,979             | -                | 195,512             |
| Vehicles                               | 337,634             | 41,319             | 111,496          | 267,457             |
| Total Accumulated Depreciation         | 630,918             | 85,618             | 111,496          | 605,040             |
| Total Other Capital Assets, Net        | 657,461             | (30,218)           | 24,304           | 602,939             |
| Totals                                 | <u>\$ 727,461</u>   | <u>\$ (30,218)</u> | <u>\$ 24,304</u> | <u>\$ 672,939</u>   |

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
Notes to Financial Statements (Continued)  
For The Year Ended December 31, 2013

**6. Litigation and Claims / Risk Management**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of commercial insurance.

**7. Related Party Transactions**

There were no related party transactions.

**8. Compensation Paid Board Members**

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

**Required Supplemental Information:**  
**Budgetary Comparison Schedule**

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
**Budgetary Comparison Schedule – General Fund**  
**For the Year Ended December 31, 2013**

Schedule 1

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amounts -<br/>Budgetary<br/>Basis</u> | <u>Variance with<br/>Final Budget<br/>Favorable /<br/>(Unfavorable)</u> |
|---|----------------------------|-------------------------|---|---|
| <b>Revenues:</b>  |                            |                         |   |   |
| Ad Valorem Taxes  | \$ 164,000                 | \$ 164,200              | \$ 167,103  | \$ 2,903  |
| User Fee  | 63,700                     | 67,000                  | 67,385  | 385   |
| State Revenue Sharing                                     | 2,950                      | 2,900                   | 2,904   | 4   |
| Fire Insurance Premium Rebate                             | 21,000                     | 25,100                  | 25,113  | 13  |
| Insurance Proceeds  | -                          | 28,140                  | 244,718   | 216,578   |
| Interest Income   | 700                        | 800                     | 858   | 58  |
| Other Income  | 100                        | 5,200                   | 5,138   | (62)  |
| Total Revenues  | <u>252,450</u>             | <u>293,340</u>          | <u>513,219</u>                                      | <u>219,879</u>  |
| <b>Expenditures:</b>                                      |                            |                         |   |   |
| Collection Fees   | 8,500                      | 8,500                   | 8,086   | 414   |
| Equipment Rental  | -                          | 1,000                   | 672   | 328   |
| Firefighting Supplies                                     | 8,000                      | 15,000                  | 14,214  | 786   |
| Insurance   | 18,000                     | 25,000                  | 25,369  | (369)   |
| Miscellaneous   | 6,500                      | 8,000                   | 7,891   | 109   |
| Office Expenses   | 2,000                      | 5,200                   | 4,877   | 323   |
| Payroll Taxes   | -                          | 2,500                   | 2,390   | 110   |
| Professional Fees   | 7,300                      | 7,300                   | 6,614   | 686   |
| Repairs and Maintenance                                   | 10,000                     | 18,000                  | 18,223  | (223)   |
| Sheriff's Pension Fund                                    | 7,000                      | 7,000                   | 6,607   | 393   |
| Supplies & Small Equipment                                | 15,000                     | 30,000                  | 30,035  | (35)  |
| Telephone & Utilities                                     | 11,500                     | 12,600                  | 12,087  | 513   |
| Uniforms  | 4,000                      | 8,000                   | 8,371   | (371)   |
| Vehicle Expenses  | 7,000                      | 33,000                  | 39,025  | (6,025)   |
| Wages   | -                          | 30,000                  | 28,298  | 1,702   |
| Capital Outlay  | 105,000                    | 57,000                  | 55,401  | 1,599   |
| Total Expenditures  | <u>209,800</u>             | <u>268,100</u>          | <u>268,160</u>                                      | <u>(60)</u>   |
| Excess of Revenues over Expenditures                      | 42,650                     | 25,240                  | 245,059   | 219,819   |
| <b>Other Financing Sources:</b>                           |                            |                         |   |   |
| Gain on Sale of Asset                                     | -                          | 8,730                   | 8,730   | -   |
| Total Other Financing Sources                             | <u>-</u>                   | <u>8,730</u>            | <u>8,730</u>  | <u>-</u>  |
| Excess of Revenues and Other Sources<br>Over Expenditures | 42,650                     | 33,970                  | 253,789   | 219,819   |
| <b>Fund Balance - Beginning of the Year</b>               | <u>412,014</u>             | <u>412,014</u>          | <u>412,014</u>                                      | <u>-</u>  |
| <b>Fund Balance - End of the Year</b>                     | <u>\$ 454,664</u>          | <u>\$ 445,984</u>       | <u>\$ 665,803</u>                                   | <u>\$ 219,819</u>   |

See independent accountant's review report.

**Independent Accountant's Report on  
Applying Agreed-Upon Procedures**

# Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
www.djcpa.com

John N. Durnin, CPA  
Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

Members of  
American Institute of CPAs  
Society of Louisiana CPAs

Jared R. Lauderdale, CPA

June 3, 2014

## Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Commissioners  
Livingston Parish Fire Protection District No. 9  
Maurepas, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Livingston Parish Fire Protection District No. 9 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Livingston Parish Fire Protection District No. 9's compliance with certain laws and regulations during the year ended December 31, 2013, included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Livingston Parish Fire Protection District No. 9 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 of for any other purpose.

### Public Bid Law

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

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

### 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.

Management provided us with the required list.

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

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

#### Budgeting

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

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

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

We traced the adoption of the original budget to the minutes of a meeting held on December 4, 2012, which indicated that the budget had been adopted by the Board of Commissioners of the Livingston Parish Fire Protection District No. 9. We traced the adoption of the amended budget to the minutes of a meeting held on December 9, 2013, which indicated that the amended budget had been adopted by the Board of Commissioners of the Livingston Parish Fire Protection District No. 9.

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 final budget to actual revenues and expenditures. Actual revenues for the year exceeded budgeted amounts. Actual expenditures for the year did not exceed budgeted amounts by more than 5%.

#### Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:
  - a. Trace payments to supporting documentation as to proper amount and payee;

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

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

We examined supporting documentation for each of the six selected disbursements and found that all payments were properly coded to the correct general ledger account.

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

We examined supporting documentation for each of the six selected disbursements and found that all payments received approval from proper authorities.

### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:1 through 42:13 (the open meetings law).

We reviewed documentation that agendas for meetings are posted on the Fire Station door more than 24 hours in advance of a 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 that appeared to be proceeds of bank loans, bonds, or like indebtedness.

### Advances and Bonuses

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

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

### Prior Comments and Recommendations

Our prior report, dated June 4, 2013, did not include any comments or unresolved matters.

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.

Livingston Parish Fire Protection District No. 9  
June 3, 2014

This report is intended solely for the use of management of the Livingston Parish Fire Protection District No. 9 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.

Respectfully submitted,

A handwritten signature in cursive script that reads "Durnin & James, CPAs". The signature is written in black ink and is positioned above the printed name of the firm.

Durnin & James, CPAs  
(A Professional Corporation)

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
Schedule of Current Year Findings, Recommendations, and Responses  
For the Year Ended December 31, 2013

**Internal Control over Financial Reporting**

None

**Compliance and Other Matters**

*2013-01 – Louisiana Fiscal Agency and Cash Management Law*

*Condition:* During our review procedures, we noted that \$190,505 of deposits with the District's fiscal agent bank were uninsured and uncollateralized.

*Criteria:* Louisiana Revised Statute 39:1225 states that the amount of security, including FDIC insurance and other pledged collateral, shall at all times be equal to one hundred percent of the amount of collected funds on deposit.

*Cause:* The cause of this condition appears to be an oversight on the part of management following the deposit of \$216,578 of insurance proceeds in December 2013.

*Effect:* The effect of this condition is the potential failure to comply with the provisions of the Louisiana Fiscal Agent and Cash Management Law.

*Recommendation:* We recommend that the District immediately require their fiscal agent bank to pledge additional securities to secure their deposits. We also recommend that the District review pledged securities on at least a monthly basis to ensure that their funds are adequately protected.

*Management's Response:* Management will contact the bank as soon as practicable and ask that the bank pledge additional securities to cover the District's deposits.

**Livingston Parish Fire Protection District No. 9**  
**Maurepas, Louisiana**  
Summary Schedule of Prior Year 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>Corrective Action Taken</u> |
|--------------|--|--------------------------------|--------------------------------|--------------------------------|
|--------------|--|--------------------------------|--------------------------------|--------------------------------|

None

*Note: This schedule has been prepared by the management of the Fire Protection District No. 9 of Livingston Parish.*

**Louisiana Attestation Questionnaire**

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

2/4/13 (Date Transmitted)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (Auditors)

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

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

**Public Bid Law**

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

Yes  No [ ]

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

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

Yes  No [ ]

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

Yes  No [ ]

**Budgeting**

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

Yes  No [ ]

**Accounting and Reporting**

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

Yes  No [ ]

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

Yes  No [ ]

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

Yes  No [ ]

**Meetings**

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

Yes  No [ ]

**Debt**

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

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

Yes  No

**Advances and Bonuses**

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

Yes  No

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

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

|                         |            |             |
|-------------------------|------------|-------------|
| <u>Samantha Breand</u>  | Fire Chief |             |
|                         | Secretary  |             |
| <u>Gen. M. Pitt Jr.</u> | Treasurer  | 2/4/14 Date |
| <u>St. Edwards</u>      | President  | 2/4/14 Date |