

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

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
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As of and For the Year Ended December 31, 2021

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Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Livingston Parish Fire Protection District No. 4 ("the "District"), a component unit of Livingston Parish Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison schedule, the schedule of the District's proportionate share of the net pension liability, and the schedule of the District's contributions found on pages 28 through 30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting

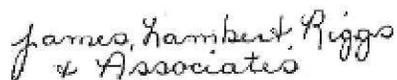
Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 9, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 9, 2022

Basic Financial Statements

Livingston Parish Fire Protection District No. 4

Exhibit A

Walker, Louisiana

Statement of Net Position

December 31, 2021

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Assets | |
| Cash and Cash Equivalents | \$ 164,202 |
| Investments | 1,591,974 |
| Taxes Receivable, Net | 2,646,516 |
| User Fee Receivable, Net | 821,689 |
| State Revenue Sharing Receivable | 52,270 |
| Other Receivables | 112 |
| Prepaid Insurance | 47,371 |
| Capital Assets Not Depreciated: | |
| Land | 684,144 |
| Construction In Progress | 217,097 |
| Capital Assets Being Depreciated, Net | <u>5,055,185</u> |
| Total Assets | <u>\$ 11,280,560</u> |
| Deferred Outflows of Resources | |
| Differences Between Expected and Actual Experience | \$ 21,102 |
| Changes in Assumptions | 320,420 |
| Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions | 803,507 |
| Contributions Subsequent to the Measurement Date | <u>188,325</u> |
| Total Deferred Outflows of Resources | <u>\$ 1,333,354</u> |
| Liabilities | |
| Accounts Payable and Accrued Liabilities | \$ 342,752 |
| Net Pension Liability | <u>1,478,683</u> |
| Total Liabilities | <u>\$ 1,821,435</u> |
| Deferred Inflows of Resources | |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | \$ 897,351 |
| Differences Between Expected and Actual Experience | 132,789 |
| Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions | <u>684</u> |
| Total Deferred Inflows of Resources | <u>\$ 1,030,824</u> |
| Net Position | |
| Net Investment in Capital Assets | \$ 5,956,426 |
| Unrestricted | <u>3,805,229</u> |
| Total Net Position | <u>\$ 9,761,655</u> |

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

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

Exhibit B

Statement of Activities
For the Year Ended December 31, 2021

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Expenses: | |
| Public Safety - Fire Protection: | |
| Salaries & Related Benefits | \$ 2,257,406 |
| Depreciation | 488,433 |
| Insurance | 611,779 |
| Collection Fees | 244,498 |
| Repairs & Maintenance | 334,586 |
| Fuel & Oil | 64,568 |
| Professional Fees | 98,001 |
| Supplies | 83,215 |
| Utilities | 107,286 |
| Bad Debts | 75,718 |
| Telephone | 28,361 |
| Maintenance Contracts | 36,703 |
| Miscellaneous | 44,307 |
| Office Supplies & Postage | 10,064 |
| Training | 14,724 |
| Dues & Subscriptions | 6,972 |
| Total Program Expenses | <u>4,506,621</u> |
| Program Revenues: | |
| Operating Grants | <u>-</u> |
| Total Program Revenues | <u>-</u> |
| Net Program (Expense) / Revenue | (4,506,621) |
| General Revenues: | |
| Ad Valorem Taxes | 2,756,008 |
| User Fees | 847,723 |
| Fire Insurance Rebate | 205,605 |
| State Revenue Sharing | 157,178 |
| On Behalf Payments - State Supplemental Pay | 99,695 |
| FEMA Reimbursement | 16,452 |
| Other Revenues | 117,258 |
| Contributions from Non-Employer Contributing Entities | 119,200 |
| Total General Revenues | <u>4,319,119</u> |
| Change in Net Position | (187,502) |
| Net Position - Beginning of Year | <u>9,949,157</u> |
| Net Position - End of Year | <u>\$ 9,761,655</u> |

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana

Exhibit C

Governmental Fund Balance Sheet
December 31, 2021

| | <u>General Fund</u> |
|--|-------------------------|
| Assets | |
| Cash and Cash Equivalents | \$ 164,202 |
| Investments | 1,591,974 |
| Taxes Receivable, Net | 2,646,516 |
| User Fee Receivable, Net | 821,689 |
| State Revenue Sharing Receivable | 52,270 |
| Other Receivables | <u>112</u> |
| Total Assets | <u>\$ 5,276,763</u> |
| Liabilities and Fund Balance | |
| Liabilities: | |
| Accounts Payable | \$ 322,580 |
| Accrued Liabilities | <u>20,172</u> |
| Total Liabilities | <u>342,752</u> |
| Fund Balance: | |
| Unassigned | <u>4,934,011</u> |
| Total Fund Balance | <u>4,934,011</u> |
| Total Liabilities and Fund Balance | <u>\$ 5,276,763</u> |

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

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

Exhibit D

Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
December 31, 2021

| | |
|---|---------------------|
| Total Governmental Fund Balance (Exhibit C) | \$ 4,934,011 |
| <p>Amounts reported for governmental activities in the statement of net position are different because:</p> | |
| Prepaid insurance is not available to pay for current-period expenditures and, therefore, is not reported in the funds. | 47,371 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 5,956,426 |
| <p>In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in the governmental funds.</p> | |
| Net Pension Liability | (1,478,683) |
| Deferred Outflows of Resources | 1,333,354 |
| Deferred Inflows of Resources | <u>(1,030,824)</u> |
| Net Position of Governmental Activities (Exhibit A) | <u>\$ 9,761,655</u> |

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

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

Exhibit E

Statement of Governmental Fund Revenues, Expenditures, and
Change in Fund Balance
For the Year Ended December 31, 2021

| | General Fund |
|---|-----------------|
| Revenues: | |
| Ad Valorem Taxes | \$ 2,756,008 |
| User Fees | 847,723 |
| Fire Insurance Rebate | 205,605 |
| State Revenue Sharing | 157,178 |
| On Behalf Payments - State Supplemental Pay | 99,695 |
| Interest | 16,997 |
| Other Revenues | 49,525 |
| Total Revenues | 4,132,731 |
| Expenditures: | |
| Public Safety - Fire Protection: | |
| Salaries & Related Benefits | 2,226,894 |
| Insurance | 598,417 |
| Collection Fees | 244,498 |
| Repairs & Maintenance | 334,586 |
| Fuel & Oil | 64,568 |
| Professional Fees | 98,001 |
| Supplies | 83,215 |
| Utilities | 107,286 |
| Bad Debts | 75,718 |
| Telephone | 28,361 |
| Maintenance Contracts | 36,703 |
| Office Supplies & Postage | 10,064 |
| Training | 14,724 |
| Dues & Subscriptions | 6,972 |
| Miscellaneous | 44,307 |
| Capital Outlay | 621,311 |
| Total Expenditures | 4,595,625 |
| Excess of Revenues over Expenditures | (462,894) |
| Other Financing Sources: | |
| Flood Insurance Reimbursements | 67,188 |
| Total Other Financing Sources | 67,188 |
| Net Change in Fund Balance | (395,706) |
| Fund Balance - Beginning of the Year | 5,329,717 |
| Fund Balance - End of the Year | \$ 4,934,011 |

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

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

Exhibit F

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and
Change in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended December 31, 2021

| | |
|--|--------------|
| Net Change in Fund Balance, Governmental Fund (Exhibit E) | \$ (395,706) |
|--|--------------|

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 | 621,311 |
| Depreciation Expense | (488,433) |

Prepaid insurance is not recorded as an expense in the statement of net position, but requires the use of current financial resources and therefore is reported as an expenditure in the governmental fund. This amount represents the total change in prepaid insurance.

(13,362)

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related pension plans is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to charges in deferred outflows of resources and deferred inflows of resources are reflected in the statement of activities:

| | |
|---|----------------|
| Net Change in Pension Expense | (30,512) |
| Contributions from Non-Employer Contributing Entities | <u>119,200</u> |

| | |
|--|----------------------------|
| Change in Net Position of Governmental Activities (Exhibit B) | <u>\$ (187,502)</u> |
|--|----------------------------|

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana

Notes to Financial Statements
For the Year Ended December 31, 2021

Narrative Profile

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

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

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Fund Accounting

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

Governmental Funds

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

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

C. Measurement Focus / Basis of Accounting

Basic Financial Statements – Government-Wide Financial Statements

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

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

The District does not allocate indirect expenses.

Basic Financial Statements – Governmental Funds

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

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

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

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

The District adopted an operating budget for its General Fund for the fiscal year ended December 31, 2021. The budget for this fund is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The District follows these procedures in establishing the budgetary data reflected in these financial statements:

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

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

E. Deposits and Investments

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

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

Livingston Parish Fire Protection District No. 4
Walker, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

F. Receivables and Payables

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

Property Taxes

For the year 2021, taxes of 10.00 mills were levied on property within the District's boundaries. Total taxes levied were \$2,756,787. At December 31, 2021, the ad valorem tax receivable was \$2,756,787. Ad valorem taxes receivable at December 31, 2021, are recorded net of a 4.0% allowance for uncollectible taxes (\$110,271).

User Fees

For the year 2021, a user fee of \$32 was assessed on each household within the District's boundaries. Total fees levied were \$855,926. At December 31, 2021, the user fee receivable was \$855,926. User fees receivable at December 31, 2021, are recorded net of a 4.0% allowance for uncollectible fees (\$34,237).

State Revenue Sharing

For the year 2021, the District received \$157,178 in Louisiana State Revenue Sharing. At December 31, 2021, state revenue sharing receivable totaled \$52,270. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing.

G. Prepaid Items

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

H. Capital Assets

Capital assets are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value at the date of donation. At December 31, 2021, the District did not have a formal capitalization policy establishing a capitalization / expense threshold.

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

I. Compensated Absences

At December 31, 2021, the District has no plan or provision for compensated absences, pension plan, or other post-employment benefits. Employees may accrue up to one (1) year of vacation hours. All other time cannot be accumulated and must be taken by the end of the year. Although the District provides this benefit, the amount of actual accrued vacation time was minimal and not accrued for.

Livingston Parish Fire Protection District No. 4
Walker, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

J. Long-Term Obligations

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

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

K. Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any 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 – this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

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.

L. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for the specific purposes due to enabling legislation, State or Federal laws, or externally imposed by grantors, creditors, or citizens.

Livingston Parish Fire Protection District No. 4
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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District’s highest level of decision-making authority).
4. Assigned Fund Balance – amounts 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 Balance – all amounts not included in other spendable categories.

When fund balance resources are available for a specific purpose in multiple classifications, the District will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the District's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

As of December 31, 2021, the District did not have any nonspendable, committed, or assigned fund balances.

M. New Accounting Pronouncements

New accounting pronouncements adopted by the District are as follows:

In June 2020, the GASB issued Statement No 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. This Statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

measured as of the end of the plan's reporting period in all circumstances. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

The District early adopted GASB Statement No. 97 for the year ended December 31, 2020.

N. Estimates

The preparation of financial statements, in conformity with U.S. GAAP requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year-end. See Note 1-D regarding operating budgets. The District complied with the Louisiana Local Government Budget Act in adopting its budget for the year ended December 31, 2021. The District reported favorable variances in expenditures over appropriations for the fiscal year ended December 31, 2021.

B. Deposits and Investment Laws and Regulations

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

C. Deficit Fund Equity

As of December 31, 2021, the District's general fund did not have a deficit fund equity.

3. Cash, Cash Equivalents, and Investments

As reflected on Exhibit A, the District has cash and cash equivalents totaling \$163,908 and investments totaling \$1,591,943 at December 31, 2021. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must always 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.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

The following is a summary of cash and investments at December 31, 2021, with the related federal deposit insurance and pledge securities:

| | |
|--|------------|
| Bank Balances: | |
| Insured (FDIC Insurance) | \$ 229,731 |
| Uninsured and Collateralized: | |
| Collateral held by pledging bank's trust department not in the District's name | - |
| Uninsured and Uncollateralized | - |
| Total Deposits | \$ 229,731 |

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, 2021, the District was in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

At December 31, 2021, the District's investment balances are as follows:

| | Reported Amount | Fair Value |
|----------------------------------|--------------------|---------------|
| Louisiana Asset Management Pool: | | |
| Operating Fund | \$ 1,481,221 | \$ 1,481,221 |
| Capital Outlay Fund | 110,722 | 110,722 |
| Total | \$ 1,591,943 | \$ 1,591,943 |

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

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

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

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

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of Credit Risk: Pooled investments are excluded from the 5% disclosure requirement.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating / variable rate investments. The WAM for LAMP's total investments was 58 days as of December 31, 2021.
- Foreign Currency Risk: Not applicable.

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

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

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

4. Receivables

Receivables represent revenues earned in 2021 and received in 2022 as follows:

| | |
|---------------------------------------|---------------------|
| Property Tax Receivable | \$ 2,756,787 |
| User Fees Receivable | 855,926 |
| State Revenue Sharing Receivable | 52,270 |
| Other Receivable | 112 |
| Allowance for Uncollectible Tax | (144,508) |
| Receivables at December 31, 2021, Net | <u>\$ 3,520,587</u> |

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

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2021, are as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|------------|-----------|-------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Construction in Progress | \$ 94,977 | \$ 122,120 | \$ - | \$ 217,097 |
| Land | 684,144 | - | - | 684,144 |
| Total Capital Assets Not Being Depreciated | 779,121 | 122,120 | - | 901,241 |
| Other Capital Assets: | | | | |
| Furniture & Fixtures | 2,222,669 | 38,985 | - | 2,261,654 |
| Buildings | 3,713,984 | 16,953 | - | 3,730,937 |
| Equipment / Vehicle | 5,562,026 | 443,253 | - | 6,005,279 |
| Total Other Capital Assets | 11,498,679 | 499,191 | - | 11,997,870 |
| Less Accumulated Depreciation: | | | | |
| Furniture & Fixtures | (1,987,639) | (75,475) | - | (2,063,114) |
| Buildings | (980,090) | (97,869) | - | (1,077,959) |
| Equipment / Vehicle | (3,486,522) | (315,090) | - | (3,801,612) |
| Total Accumulated Depreciation | (6,454,251) | (488,434) | - | (6,942,685) |
| Total Other Capital Assets, Net | 5,044,428 | 10,757 | - | 5,055,185 |
| Total | \$ 5,823,549 | \$ 132,877 | \$ - | \$ 5,956,426 |

Depreciation expense for the year ended December 31, 2021, totaled \$488,434.

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

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

**Livingston Parish Fire Protection District No. 4
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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

6. Accounts Payable

Accounts payables at December 31, 2021, are as follows:

| | |
|--------------------------------|-------------------|
| Vendor and Other Payables | \$ 102,493 |
| Tax Collector Fees Payable | 98,603 |
| Pension Fund Deduction Payable | 108,788 |
| User Fees Assessment Charges | 32,868 |
| Total | <u>\$ 342,752</u> |

7. Pension Plan – Firefighters’ Retirement System of Louisiana

General Information about the Pension Plan

Plan Description – Employees of the District are eligible for participation in the Firefighters’ Retirement System of Louisiana (the “System”) – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 434 of the 1979 Regular Session of the Louisiana Legislature. The System issues a publicly available financial report that can be obtained at www.lafirefightersret.com/finance.html. The report may also be obtained by writing to the Firefighters’ Retirement System, 3100 Brentwood Drive, Baton Rouge, LA 70809, or by calling (225) 925-4060.

Benefits Provided – Any person who becomes an employee as defined in LRS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System. Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Deferred Retirement Option Plan – After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member’s DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to the member’s regular monthly benefit.

Livingston Parish Fire Protection District No. 4
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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option Plan – Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Contributions – Per Act 434 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year. Employees are required to contribute 10% of their annual pay. The District’s contractually required contribution rate for the year ended December 31, 2021, was 32.25% for the period January 2021 through June 2021 and 33.75% for the period July 2021 through December 2021. Contributions to the System from the District were \$355,055 for the year ended December 31, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the District reported a liability of \$1,478,683 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on a projection of the District’s December 31, 2021, contributions to the pension plan, relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District’s proportion was 0.417253 %, which was an increase of 0.038672% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the District recognized pension expense of \$70,905. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ 21,102 | \$ 132,789 |
| Changes of Assumptions | 320,420 | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | 897,351 |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | 803,507 | 684 |
| District Contributions Subsequent to the Measurement Date | 188,325 | - |
| | \$ 1,333,354 | \$ 1,030,824 |

**Livingston Parish Fire Protection District No. 4
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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

\$188,325 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended: | | |
|--------------------|----|-----------|
| December 31, 2022 | \$ | 116,857 |
| December 31, 2023 | | 81,313 |
| December 31, 2024 | | (27,670) |
| December 31, 2025 | | (175,957) |
| December 31, 2026 | | 66,381 |
| Thereafter | | 53,965 |

Actuarial Assumptions – The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|----------------------------------|---|
| Investment Rate of Return | 6.90% per annum (net of fees) |
| Estimated Remaining Service Life | 7 Years, closed period |
| Inflation | 2.500% per annum |
| Salary Increases | Vary from 14.10% in the first two years of service to 5.20% after 3 years |
| Cost of Living Adjustments | Only those previously granted |

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees for active members, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees for annuitants and beneficiaries, and the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees for disabled retirees for Males or Females, as appropriate.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2019.

The June 30, 2021, estimated long-term expected rate of return on pension plan investments was determined by the System’s actuary using the System’s target asset allocation as of January 2021 and the G.S. Curran & Company Consultant Average study for 2021. The Consultants’ Average Study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant’s response included nominal expected long term rates of return. In order to arrive at long term expected arithmetic real rates of return, the actuary normalized the data received from the consultant’s responses in the following ways. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. Subsequent to the actuary’s calculation of the long term expected real rate of return in January 2021, the Board voted to amend the target asset allocation. These

Livingston Parish Fire Protection District No. 4
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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

changes include an increase to target weight in public equity, a decrease in the target weight in fixed income, and the inclusion of a target weight in private real assets. The changes to the target asset allocation are reflected in the table below. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2021.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2021, are summarized in the following table:

| | Asset Type | Target Asset Allocation | Long-Term Expected Real Rate of Return |
|------------------------|----------------------------------|-------------------------|--|
| Equity | U.S. Equity | 27.50% | 5.86% |
| | Non-U.S. Equity | 11.50% | 6.44% |
| | Global Equity | 10.00% | 6.40% |
| | Emerging Market Equity | 7.00% | 8.64% |
| | U.S. Core Fixed Income | 18.00% | 0.97% |
| Fixed Income | U.S. TIPS | 3.00% | 0.40% |
| | Emerging Market Debt | 5.00% | 2.75% |
| Alternatives | Private Equity | 9.00% | 9.53% |
| | Real Estate | 6.00% | 5.31% |
| | Real Assets | 3.00% | *** |
| Multi-Asset Strategies | Global Tactical Asset Allocation | 0.00% | 4.17% |
| | Risk Parity | 0.00% | 4.17% |

Discount Rate – The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Livingston Parish Fire Protection District No. 4
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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
– The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.90%) or one percentage-point higher (7.90%) than the current rate:

| | 1.0% Decrease (5.90%) | Current Discount Rate (6.90%) | 1.0% Increase (7.90%) |
|--|-----------------------------|-------------------------------------|-----------------------------|
| District's Proportionate Share of the Net Pension Liability | \$ 2,836,744 | \$ 1,478,683 | \$ 346,074 |

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued System financial report.

Payables to the Pension Plan – As of December 31, 2021, the District had payables totaling \$55,113 due to the System, which represents the employee and employer's share of the December 2021 contributions.

8. Deferred Compensation Plan

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

The District's total contributions made to the plan were \$-0- for the year ended December 31, 2021.

9. Tax Abatement Program

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. For the District, there are currently abatements related to four (4) companies under the Louisiana ITEP. For the 2021 calendar year, estimated forgone ad valorem taxes due to this abatement program was \$7,760 for the District.

Livingston Parish Fire Protection District No. 4
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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

10. On-Behalf Payments

Supplementary salary payments are made by the State of Louisiana directly to certain District employees. The District is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is actual contributions made by the State. For the fiscal year ended December 31, 2021, the State paid supplemental salaries to the District's employees in the amount of \$99,695.

11. Compensation Paid to Board Members

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

| | | |
|----------------------------------|----|--------------|
| Robert Dugas, Chairman | \$ | - |
| Jeffrey S. Easley, Vice-Chairman | | 330 |
| Darren L. Blevins, Board Member | | 270 |
| Leslie A. Falks, Board Member | | 330 |
| Joseph Blanchard, Board Member | | 300 |
| Total | \$ | <u>1,230</u> |

12. Contingent Liabilities

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

13. Subsequent Events

On April 30, 2022, the District's voters passed the authorization to levy and collect an additional 15.00 mills tax on assessed valuation of all property subject to taxation in the District, for a period of 20 years. The purpose of the additional millage is for acquiring, constructing, improving, maintaining and / or operating fire protection and emergency medical service facilities, vehicles and equipment, including both movable and immovable property, and to pay the cost of obtaining water for fire hydrant purposes, including charges for fire hydrants rental and services: and providing for other matters in connection. The collection will begin in the 2022 tax roll year. The projected taxable value for the District is \$283,563,104 and the 2022 projected revenue for the 15.00 mills is \$4,253,447.

Management has evaluated all other subsequent events through the date that the financial statements were available to be issued, June 9, 2022. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Required Supplemental Information

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

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual Amounts - Budgetary Basis | Variance with Final Budget Favorable / (Unfavorable) |
|--------------------------------------|---------------------|---------------------|---|---|
| Revenues: | | | | |
| Ad Valorem Taxes | \$ 2,400,000 | \$ 2,602,062 | \$ 2,756,008 | \$ 153,946 |
| User Fees | 760,000 | 822,000 | 847,723 | 25,723 |
| Fire Insurance Rebate | 200,000 | 205,605 | 205,605 | - |
| State Revenue Sharing | 150,000 | 156,798 | 157,178 | 380 |
| On Behalf Payments | 114,000 | 97,950 | 99,695 | 1,745 |
| Interest | 56,000 | 16,550 | 16,997 | 447 |
| Other Revenues | 55,400 | 49,542 | 49,525 | (17) |
| Total Revenues | <u>3,735,400</u> | <u>3,950,507</u> | <u>4,132,731</u> | <u>182,224</u> |
| Expenditures: | | | | |
| Public Safety - Fire Protection: | | | | |
| Salaries & Related Benefits | 2,191,400 | 2,243,675 | 2,226,894 | 16,781 |
| Insurance | 696,700 | 605,030 | 598,417 | 6,613 |
| Collection Fees | 229,000 | 237,036 | 244,498 | (7,462) |
| Repairs & Maintenance | 213,200 | 347,150 | 334,586 | 12,564 |
| Fuel & Oil | 58,825 | 63,853 | 64,568 | (715) |
| Professional Fees | 97,550 | 93,396 | 98,001 | (4,605) |
| Supplies | 79,300 | 103,776 | 83,215 | 20,561 |
| Utilities | 102,100 | 110,943 | 107,286 | 3,657 |
| Bad Debts | - | - | 75,718 | (75,718) |
| Telephone | 37,000 | 30,600 | 28,361 | 2,239 |
| Maintenance Contracts | 46,500 | 47,225 | 36,703 | 10,522 |
| Office Supplies & Postage | 12,000 | 12,090 | 10,064 | 2,026 |
| Training | 15,000 | 16,500 | 14,724 | 1,776 |
| Dues & Subscriptions | 12,300 | 6,850 | 6,972 | (122) |
| Miscellaneous | 43,825 | 45,175 | 44,307 | 868 |
| Capital Outlay | 1,450,000 | 625,313 | 621,311 | 4,002 |
| Total Expenditures | <u>5,284,700</u> | <u>4,588,612</u> | <u>4,595,625</u> | <u>(7,013)</u> |
| Excess of Revenues over Expenditures | (1,549,300) | (638,105) | (462,894) | 175,211 |
| Other Financing Sources: | | | | |
| FEMA Reimbursement | - | 67,188 | 67,188 | - |
| Net Change in Fund Balances | (1,549,300) | (570,917) | (395,706) | 175,211 |
| Fund Balance: | | | | |
| Beginning of the Year | 5,329,717 | 5,329,717 | 5,329,717 | - |
| End of the Year | <u>\$ 3,780,417</u> | <u>\$ 4,758,800</u> | <u>\$ 4,934,011</u> | <u>\$ 175,211</u> |

See independent auditor's report.

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

Schedule 2

Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended December 31, 2021

| <u>Fiscal Year*</u> | <u>District's Proportion of the Net Pension Liability</u> | <u>District's Proportionate Share of the Net Pension Liability</u> | <u>District's Covered Employee Payroll</u> | <u>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u> | <u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u> |
|---------------------|---|--|--|--|---|
| 2021 | 0.417253% | \$ 1,478,683 | \$ 1,074,995 | 137.55% | 86.78% |
| 2020 | 0.378581% | \$ 2,624,153 | \$ 942,521 | 278.42% | 72.61% |
| 2019 | 0.372201% | \$ 2,330,689 | \$ 899,562 | 259.09% | 73.96% |
| 2018 | 0.317795% | \$ 1,827,982 | \$ 836,844 | 218.44% | 74.76% |
| 2017 | 0.203338% | \$ 1,165,503 | \$ 646,606 | 180.25% | 73.55% |
| 2016 | 0.120076% | \$ 785,406 | \$ 263,026 | 298.60% | 68.16% |
| 2015 | 0.080755% | \$ 435,844 | \$ 171,619 | 253.96% | 72.45% |
| 2014 | 0.066509% | \$ 295,959 | \$ 123,451 | 239.74% | 76.02% |

* The amounts presented for each fiscal year were determined as of June 30 of that year

See independent auditor's report.

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

Schedule 3

Schedule of the District's Contributions
For the Year Ended December 31, 2021

| <u>Fiscal Year</u> | <u>Contractually Required Contribution</u> | <u>Contributions in Relation to the Contractually Required Contribution</u> | <u>Contribution Deficiency / (Excess)</u> | <u>District's Covered Employee Payroll</u> | <u>Contributions as a Percentage of Covered Employee Payroll</u> |
|--------------------|--|---|---|--|--|
| 2021 | \$ 353,948 | \$ 353,948 | \$ - | \$ 1,074,995 | 32.93% |
| 2020 | \$ 261,656 | \$ 261,656 | \$ - | \$ 942,521 | 27.76% |
| 2019 | \$ 238,384 | \$ 238,384 | \$ - | \$ 899,562 | 26.50% |
| 2018 | \$ 221,764 | \$ 221,764 | \$ - | \$ 836,844 | 26.50% |
| 2017 | \$ 167,779 | \$ 167,779 | \$ - | \$ 646,606 | 25.95% |
| 2016 | \$ 71,674 | \$ 71,674 | \$ - | \$ 263,026 | 27.25% |
| 2015 | \$ 50,199 | \$ 50,199 | \$ - | \$ 171,619 | 29.25% |
| 2014 | \$ 33,654 | \$ 33,654 | \$ - | \$ 123,451 | 27.26% |

* The amounts presented for each fiscal year were determined as of June 30 of that year

See independent auditor's report.

Other Supplemental Information

Livingston Parish Fire Protection District No. 4
Walker, Louisiana

Schedule 4

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2021

Agency Head: James Wascom, Fire Chief

| <u>Purpose</u> | <u>Amount</u> |
|-------------------------------------|-------------------|
| Salary | \$ 114,975 |
| Benefits - Insurance | 21,401 |
| Benefits - Retirement | 35,001 |
| Deferred Compensation | 6,000 |
| Benefits - Other - Supplemental Pay | - |
| Car Allowance | - |
| Vehicle Provided by Government | - |
| Vehicle Rental | - |
| Cell Phone | - |
| Dues | - |
| Per Diem | - |
| Reimbursements | - |
| Travel | - |
| Registration Fees | - |
| Conference Travel | - |
| Housing | - |
| Unvouchered Expenses | - |
| Special Meals | - |
| Other | - |
| | <u>\$ 177,377</u> |

See independent auditor's report.

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Livingston Parish Fire Protection District No. 4, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Livingston Parish Fire Protection District No. 4's basic financial statements, and have issued our report thereon dated June 9, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

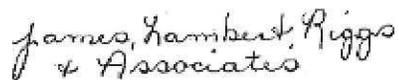
As part of obtaining reasonable assurance about whether Livingston Parish Fire Protection District No. 4's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our

Livingston Parish Fire Protection District No. 4
June 9, 2022

audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 9, 2022

Livingston Parish Fire Protection District No. 4
Walker, Louisiana
 Schedule of Findings, Recommendations, and Responses
 For the Year Ended December 31, 2021

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Livingston Parish Fire Protection District No. 4 as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 9, 2022. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

| | | | | |
|--------------------------|-----|-----|-----|----|
| Material Weakness | ___ | Yes | _X_ | No |
| Significant Deficiencies | ___ | Yes | _X_ | No |

Compliance:

| | | | | |
|---|-----|-----|-----|----|
| Compliance Material to the Financial Statements | ___ | Yes | _X_ | No |
|---|-----|-----|-----|----|

2. Management Letter

| | | | | |
|---------------------------------|-----|-----|-----|----|
| Was a management letter issued? | ___ | Yes | _X_ | No |
|---------------------------------|-----|-----|-----|----|

Section II Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

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

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

| Ref.# | Fiscal Year Findings Initially Occurred | Description of Findings | Corrective Action Taken |
|-------|--|-------------------------|-------------------------|
|-------|--|-------------------------|-------------------------|

Internal Control over Financial Reporting

None

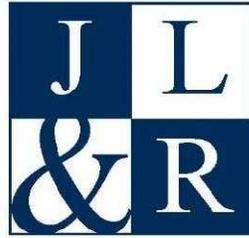
Compliance and Other Matters

None

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

LIVINGSTON PARISH FIRE PROTECTION DISTRICT NO. 4
STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehrlich, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA



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& ASSOCIATES, INC.**
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Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures

Mr. James Wascom, Fire Chief
and the Members of the Board of Commissioners of
Livingston Parish Fire Protection District No. 4
Walker, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Livingston Parish Fire Protection District No. 4 (the "District")'s management is responsible for those C/C areas identified in the SAUPs.

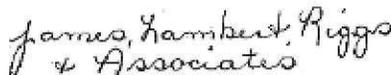
The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are detailed in Schedule "A."

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 9, 2022

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. ***Disbursements***, including processing, reviewing, and approving.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. ***Receipts / Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - e. ***Payroll / Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - f. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - g. ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- h. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- i. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- j. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- k. **Information Technology Disaster Recovery / Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing / verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches / updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- l. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Board or Finance Committee

2. Obtain and inspect the board / finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a. Observe that the board / finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- **Results:** No exceptions were noted as a result for the above listed procedures.

- c. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

- **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Bank reconciliations include evidence that a member of management / board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

- **Results:** No exceptions were noted as a result for the above listed procedures.

- c. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash / checks / money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

- **Results:** No exceptions were noted as a result for the above listed procedures.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a. Employees responsible for cash collections do not share cash drawers / registers.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - **Results:** One of two people responsible for collecting cash is responsible for preparing the deposit. Another employee/official reviews the deposit information and makes the deposit.
 - c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.
 - **Results:** One of two people responsible for collecting cash is responsible for posting collection entries to the general ledger and another employee/official does reconcile the general ledger posting to the deposit.
 - d. The employee(s) responsible for reconciling cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions, are not responsible for collecting cash, unless another employee / official verifies the reconciliation.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a. Observe that receipts are sequentially pre-numbered.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- c. Trace the deposit slip total to the actual deposit per the bank statement.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- d. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- e. Trace the actual deposit per the bank statement to the general ledger.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Non-Payroll Disbursements (excluding card purchases / payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order / making the purchase.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. At least two employees are involved in processing and approving payments to vendors.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. The employee responsible for processing payments is prohibited from adding / modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - **Results:** The employee responsible for processing payments is not prohibited from adding / modifying vendor files. The Fire Chief does review all invoices and payments to vendors as prepared. The Fire Chief will begin to review a listing of all vendors periodically and sign for his review.

- d. Either the employee / official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

- **Results:** No exceptions were noted as a result for the above listed procedures.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

- **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Observe whether the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #9, as applicable.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Credit Cards / Debit Cards / Fuel Cards / P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

- **Results:** No exceptions were noted as a result for the above listed procedures.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit / debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

- **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Observe that finance charges and late fees were not assessed on the selected statements.

- **Results:** No exceptions were noted as a result for the above listed procedures.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business / public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms / prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

- **Results:** No exceptions were noted as a result for the above listed procedures.

b. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- **Results:** No exceptions were noted as a result for the above listed procedures.

c. Observe each reimbursement is supported by documentation of the business / public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

- **Results:** No exceptions were noted as a result for the above listed procedures.

d. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

- **Results:** No exceptions were noted as a result for the above listed procedures.

Contracts

15. Obtain from management a listing of all agreements / contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Observe whether the contract was approved by the governing body / board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries / pay rates in the personnel files.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and / or contract, the official should document his / her daily attendance and leave.)
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. Observe the rate paid to the employees or officials agree to the authorized salary / pay rate found within the personnel file.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- **Results:** No employees or officials received termination payments during the fiscal period.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Ethics

20. Using the 5 randomly selected employees / officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee / official completed one hour of ethics training during the fiscal period.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Debt Service

21. Obtain a listing of bonds / notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
- **Results:** No exceptions were noted as a result for the above listed procedures.
22. Obtain a listing of bonds / notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond / note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
- **Results:** No exceptions were noted as a result for the above listed procedures.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
- **Results:** No exceptions were noted as a result for the above listed procedures.
24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Information Technology Disaster Recovery / Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- **Results:** We performed the procedure and discussed the results with management.
- b. Obtain and inspect the entity's most recent documentation that it has tested / verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing / verifying backup restoration) and observe evidence that the test / verification was successfully performed within the past 3 months.
- **Results:** We performed the procedure and discussed the results with management.

- c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

- **Results:** We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees / officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee / official completed at least one hour of sexual harassment training during the calendar year.

- **Results:** No exceptions were noted as a result for the above listed procedures.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

- **Results:** No exceptions were noted as a result for the above listed procedures.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;

- **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Number of sexual harassment complaints received by the agency;

- **Results:** No exceptions were noted as a result for the above listed procedures.

- c. Number of complaints which resulted in a finding that sexual harassment occurred;

- **Results:** No exceptions were noted as a result for the above listed procedures.

- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

- **Results:** No exceptions were noted as a result for the above listed procedures.

- e. Amount of time it took to resolve each complaint.

- **Results:** No exceptions were noted as a result for the above listed procedures.

James T. Wascom
Fire Chief
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June 9, 2022

James, Lambert, Riggs, & Associates
P.O. Drawer 369
Hammond, LA 70404

Re: AUP Management Response

To Whom It May Concern:

The Livingston Parish Fire Protection District #4 would like to present the following response to the Statewide Agreed Upon Procedures portion of the 2021 audit conducted by James, Lambert, Riggs, & Associates, Inc.

Non-Payroll Disbursements (excluding card purchases / payments, travel reimbursements, and petty cash purchases)

9. c. The employee responsible for processing payments is prohibited from adding / modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.

Agency Response: Livingston Parish Fire Protection District #4 currently has two employees responsible for adding or modifying vendors as well as processing payments. Our department has not previously printed the vendor list regularly for review of an employee not responsible for processing payments; however the bill payment list has previously been reviewed monthly by the Board and the Fire Chief. A policy has been written and in place effective June 8, 2022 that requires in January of every year, the Fire Chief is to review and sign any added and/or modified vendors in the previous calendar year.

Sincerely,

James T. Wascom
Fire Chief
Livingston Parish
Fire Protection District 4