

**MAMOU FIRE PROTECTION
DISTRICT NO. 1**

Evangeline Parish, Louisiana

Financial Report

Year Ended December 31, 2018

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OTHER LOCATIONS:

Lafayette Morgan City Abbeville

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Mr. Larry Bieber, President
Mamou Fire Protection District No. 1
P.O. Box 38
Mamou, Louisiana 70554

We have reviewed the accompanying financial statements of the governmental activities and major fund of Mamou Fire Protection District No. 1, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

Supplementary Information

The accompanying schedule of compensation, benefits and other payments to the agency head, political subdivision head, or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on page 4 through page 6 and the Budgetary Comparison Schedule on page 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

May 20, 2019

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis

As management of the Mamou Fire Protection District No. 1, we provide readers of the District's financial statements this narrative overview and analysis of the financial activities of the District, for the twelve months ended December 31, 2018. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

The financial statements provide these insights into the results operations for the twelve months ended December 31, 2018.

- The District showed a net decrease in overall net position of \$17,862.
- A significant portion of the District's assets (70%) are invested in capital assets, which accounts for \$1.2 million of the District's \$1.7 million total assets.
- Net Capital Assets of the District had additions of \$188,267 mainly to the Duralde and Vidrine locations and decreases of \$99,300 attributable to current year depreciation expense.
- Revenues totaled \$321,754 while operating expenses totaled \$329,142 with salaries and payroll taxes representing 5.8%.

Using This Financial Report

This report contains a series of financial statements. The statement of net position on page 8 and the statement of activities on page 9 provide information on all activities of the District as a whole. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The accompanying financial statements present information only on the funds maintained by the District.

All of the District's expenses incurred for the provision of fire services are reported in a governmental fund. This fund is reported using the accrual basis of accounting, which measures revenues when earned and expenses when incurred.

Financial Analysis of the District as a Whole

Our analysis below will focus on key elements of the total funds for the twelve months ended December 31, 2018.

Condensed Statement of Net Position

Assets:	
Current assets	\$ 514,178
Capital assets	<u>1,179,250</u>
Total assets	<u>\$ 1,693,428</u>

Condensed Statement of Net Position (continued)

Liabilities:	
Current liabilities	\$ 70,093
Long-Term liabilities	<u>210,290</u>
Total liabilities	<u>280,383</u>
Net assets:	
Net investment in capital assets	902,857
Unrestricted	<u>510,188</u>
Total net assets	<u>\$ 1,413,045</u>

Change in Net Position

General revenues	\$ 321,396
Operating expenses	<u>339,616</u>
Operating income	(18,220)
Nonoperating revenues	
Interest income	<u>358</u>
Decrease in net position	<u>\$ (17,862)</u>

As of December 31, 2018, the District "as a whole" had assets greater than its liabilities by \$1,413,045.

The District's unrestricted net position at December 31, 2018 was \$510,188. This is a decrease of \$170,435 from the prior year balance. It is important that the District have unrestricted net position so that we will have resources available to adapt to changes in the economy, emergencies, and unexpected needs.

Capital Assets

The District's investment in capital assets totaled \$2,542,094 as of December 31, 2018. Capital assets are categorized as follows:

Land	\$ 73,922
Buildings and improvements	429,170
Fire trucks	1,750,787
Equipment	<u>288,215</u>
Total capital assets	<u>\$ 2,542,094</u>

Additional Information

Mamou Fire Protection District No. 1 is currently funded through a 7.470 mill 10 year property tax scheduled to expire on December 31, 2024.

Requests for Information

This financial report is designed to provide a general overview of the Mamou Fire Protection District No. 1 finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Larry Bieber, Chairman, Mamou Fire Protection District No. 1, and P.O. Box 38, Mamou, LA 70554.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Statement of Net Position
December 31, 2018

ASSETS

Current assets:	
Cash	\$ 248,688
Prepaid expense	3,913
Receivables	<u>261,577</u>
Total current assets	<u>514,178</u>
Capital assets:	
Land	73,922
Buildings and improvements	429,170
Fire trucks	1,750,787
Equipment	<u>288,215</u>
	2,542,094
Less: accumulated depreciation	<u>(1,362,844)</u>
Total capital assets, net of accumulated depreciation	<u>1,179,250</u>
Total assets	<u>1,693,428</u>

LIABILITIES

Current liabilities:	
Payroll liabilities	3,990
Current maturities of long-term debt	<u>66,103</u>
Total current liabilities	<u>70,093</u>
Long-term liabilities:	
Long-term debt, net of current maturities	<u>210,290</u>
Total long-term liabilities	<u>210,290</u>

NET POSITION

Net investment in capital assets	902,857
Unrestricted	<u>510,188</u>
Total net position	<u>\$ 1,413,045</u>

See accompanying notes and independent accountant's review report.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Statement of Activities
Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		Net Revenues (Expenses)
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General government	\$ 329,142	\$ -	\$ -	\$ (329,142)
Interest on long-term debt	<u>10,474</u>	<u>-</u>	<u>-</u>	<u>(10,474)</u>
Total governmental activities	<u>\$ 339,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(339,616)</u>
 General Revenues				
Ad valorem taxes				277,981
State revenue sharing				11,514
Insurance rebate				31,901
Interest earnings				<u>358</u>
Total general revenues				<u>321,754</u>
Change in net position				(17,862)
Net position, beginning				<u>1,430,907</u>
Net position, ending				<u>\$ 1,413,045</u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Balance Sheet
Governmental Funds
December 31, 2018

ASSETS

Current assets:	
Cash and equivalents	\$ 248,688
Prepaid expense	3,913
Receivables	<u>261,577</u>
Total assets	<u>\$ 514,178</u>

LIABILITIES AND FUND BALANCE

Current Liabilities:	
Payroll liabilities	<u>\$ 3,990</u>
Total liabilities	<u>3,990</u>
Fund Balance:	
Nonspendable	3,913
Unassigned	<u>506,275</u>
	<u>510,188</u>
Total liabilities and fund balance	<u>\$ 514,178</u>

See accompanying notes and independent accountant's review report.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2018

Total fund balance - governmental fund	\$ 510,188
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund balance sheet	
Capital assets, net	1,179,250
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund balance sheet	<u>(276,393)</u>
Net position of governmental activities	<u>\$1,413,045</u>

See accompanying notes and independent accountant's review report.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
Year Ended December 31, 2018

Revenues:	
Taxes	\$ 277,981
State	11,514
Insurance rebate	<u>31,901</u>
Total revenues	<u>321,396</u>
Expenditures:	
Current -	
Communications equipment	9,447
Contract labor	19,060
Equipment rental	4,692
Fire equipment	26,220
Fireman training	2,780
Fuel	5,874
Insurance	42,698
Legal ads	2,400
Legal and accounting	4,800
Miscellaneous	3,257
Office expense	2,719
Payroll taxes	2,862
Per diem paid board members	1,770
Salaries and wages	16,500
Supplies	7,617
Repairs and maintenance	35,034
Utilities/telephone	16,662
Volunteer Firemen reimbursement	25,450
Principal payments	63,607
Interest payments	10,474
Capital outlay	<u>188,267</u>
Total expenditures	<u>492,190</u>
Excess (deficiency) of revenues over expenditures	(170,794)
Nonoperating revenues:	
Interest	<u>358</u>
Net change in fund balance	(170,436)
Fund balance, beginning	<u>680,624</u>
Fund balance, ending	<u>\$ 510,188</u>

See accompanying notes and independent accountant's review report.

MAMOU FIRE PROTECTION DISTRICT NO. 1
 Evangeline Parish, Louisiana

Reconciliation of the Statement of Revenues,
 Expenditures and Change in Fund Balance
 of the Governmental Fund to the Statement of Activities
 Year Ended December 31, 2018

Net change in fund balance - total governmental fund		\$ (170,436)
The change in net position reported for governmental activities in the statement of activities is different because:		
<p style="margin-left: 40px;">Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	188,267	
Depreciation expense	<u>(99,300)</u>	88,967
<p style="margin-left: 40px;">Governmental funds report principal payments on devt service as expenditures. However, in the statement of activities these payments are recorded as a reduction in note payable as an expense</p>		
		<u>63,607</u>
Change in net position - governmental activities		<u>\$ (17,862)</u>

See accompanying notes and independent accountant's review report.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Mamou Fire Protection District No. 1 (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies of the District are described below.

Financial Reporting Entity

Mamou Fire Protection District No. 1 of Evangeline Parish was created by the Evangeline Parish Police Jury, as authorized by Louisiana Revised Statutes 40:1491-1493. The Fire District is governed by a five member board of commissioners appointed by the Evangeline Parish Police Jury. The fire district is authorized to construct, maintain, and improve the system of fire protection within the district.

Basis of Presentation

The District's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-wide financial statements –

The government-wide financial statements include the statement of net positions and the statement of activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

In the government-wide statement of net position, the governmental activities are reported on a full accrual, economic basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in two parts – net investment in capital assets and unrestricted.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grant while the capital grants include capital-specific grants.

The District reports all direct expenses by function in the government-wide statements of activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is included as a direct expense. The net cost (by function) is normally covered by general revenue (property taxes, intergovernmental revenues, investment earnings, etc.).

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund financial statements –

The fund financial statements provide information about the District's funds. The emphasis of the fund financial statements is on major governmental funds. The district has only one fund, its General Fund. The General Fund is the District's general operating fund and it is used to account for all of the financial resources of the District.

Basis of Accounting

Government-wide financial statements –

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows takes place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the year for which they are levied. Revenue from grants and donations is recognized in the fiscal year in which eligibility requirements have been satisfied.

Fund financial statements –

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become 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 be used to pay liabilities for the current period. Property taxes are recognized in the year they are billed. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year-end are considered available and recognized as revenue of the current year.

Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

Investments

Under state law the District may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide statements-

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at cost or estimated historical cost. Donated fixed assets are recorded at their fair value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is calculated on the straight-line method over the following estimated useful lives:

Buildings and improvements	20 – 40 years
Fire trucks	15 years
Equipment	7 – 15 years

Fund financial statements –

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-Term Debt

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

Use of Estimates

The preparation of the financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Equity classifications

Government-wide statements -

Equity is classified as net assets and displayed in three components:

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- a. Net Invested in capital assets – consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, certificates of indebtedness, paving certificates, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund financial statements –

Government fund equity is classified as fund balance. GASB Statement 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Subsequent Events

Management has evaluated subsequent events through May 20, 2019, the date the financial statements were available to be issued.

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state laws, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2018, the District has cash and interest-bearing deposits (book balances) totaling \$248,688.

These deposits are stated at cost, which approximates market. Under state laws, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2018, are as follows:

Bank balances, including certificates of deposit	\$ 268,399
Federal deposit insurance	<u>250,000</u>
Balance uninsured	(18,399)
Pledged securities (Category 3)	<u>500,000</u>
Excess FDIC insurance and pledged securities	<u>\$ 481,601</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 3 RETIREMENT SYSTEM

The employees of the district are covered by social security.

NOTE 4 AD VALOREM TAXES

Government-wide financial statements –

Ad valorem taxes are recognized in the year for which they are levied net of uncollectible amounts, as applicable.

Fund financial statements -

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. Taxes are budgeted and the revenue recognized in the year they are levied. The taxes are based on assessed values determined by the Tax Assessor of Evangeline Parish and are collected by the Sheriff. The taxes are remitted to the District net of deductions for Pension Fund contributions.

The district authorized and levied general corporate taxes of 7.47 mills on property with assessed valuations totaling \$33,474,942, net of homestead exemptions, for the year ended December 31, 2018.

Total taxes levied, net of homestead exemptions, was \$250,064 for year ended December 31, 2018. Ad valorem taxes receivable consist of taxes collected by the Evangeline Parish Sheriff's Office that have not been remitted to the District and amounts due from taxpayers. Ad valorem taxes receivable at December 31, 2018 totaled \$250,064, all of which are deemed collectible.

NOTE 5 CAPITAL ASSETS

Capital assets and depreciation activity, as of and for the year ended December 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities				
Land	\$ 73,922	\$ -	\$ -	\$ 73,922
Buildings and improvements	240,903	188,267	-	429,170
Fire trucks	1,750,787	-	-	1,750,787
Equipment	<u>288,215</u>	<u>-</u>	<u>-</u>	<u>288,215</u>
Total	<u>2,353,827</u>	<u>188,267</u>	<u>-</u>	<u>2,542,094</u>
Less accumulated depreciation	<u>1,263,544</u>	<u>99,300</u>	<u>-</u>	<u>1,362,844</u>
Governmental activities				
Capital assets, net	<u>\$ 1,090,284</u>	<u>\$ 88,967</u>	<u>\$ -</u>	<u>\$ 1,179,250</u>

Depreciation expense of \$99,300 was charged to governmental activities.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 6 LONG-TERM DEBT

The District had long-term debt related to two note payable obligations for the purchase of two Ferrara 4,000 gallon tanker trucks. Notes payable at December 31, 2018, is comprised of the following:

Community Leasing Partners, in the original amount of \$170,000, dated February 23, 2017, payable in 5 yearly installments of \$36,866, bearing interest at 2.76% per annum, secured by equipment	\$ 138,196
Community Leasing Partners, in the original amount of \$170,000, dated February 23, 2017, payable in 5 yearly installments of \$36,866, bearing interest at 2.76% per annum, secured by equipment	<u>138,197</u>
	<u>\$ 276,393</u>

The annual requirements to amortize all debt outstanding at December 31, 2018, including interest payments of \$19,364, are as follows:

Year	Principal	Interest
2019	\$ 66,103	\$ 7,628
2020	67,927	5,804
2021	69,802	3,929
2022	<u>72,561</u>	<u>2,003</u>
	<u>\$ 276,393</u>	<u>\$ 19,364</u>

NOTE 7 DESCRIPTION OF LEASING ARRANGEMENT

The Fire District entered into a prepaid lease agreement for a rescue truck in the amount of \$25,345. The lease will be amortized over fifteen years. Rent expense for the year ended December 31, 2018 totaled \$1,692.

The annual future minimum rentals under the lease as of December 31, 2018 are as follows:

Year Ended	Amount
2019	\$ 1,692
2020	1,692
2021	<u>529</u>
	<u>\$ 3,913</u>

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Notes to Financial Statements

NOTE 8 PER DIEM PAID BOARD MEMBERS

The following is a summary of per diem paid to Board members for the year ended December 31, 2018:

Greg Monier	\$ 360
Larry Bieber	360
Mike Fontenot	360
Randy Young	330
Tiqua Manuel	<u>360</u>
Total	<u>\$ 1,770</u>

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
Year Ended December 31, 2018

Chairman: Larry R. Bieber

Board per diem \$360

REQUIRED SUPPLEMENTARY INFORMATION

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Budgetary Comparison Schedule
General Fund
Year December 31, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 230,000	\$ 257,000	\$ 277,981	\$ 20,981
State	24,000	7,600	11,514	3,914
Insurance rebate	38,000	34,000	31,901	(2,099)
Miscellaneous	4,500	-	-	-
Total revenues	<u>296,500</u>	<u>298,600</u>	<u>321,396</u>	<u>22,796</u>
Expenditures:				
Current -				
Communications equipment	10,000	9,000	9,447	(447)
Contract labor	22,000	22,000	19,060	2,940
Equipment rental	-	3,000	4,692	(1,692)
Fire equipment	21,200	25,700	26,220	(520)
Fireman training	2,500	1,100	2,780	(1,680)
Fuel	3,000	5,000	5,874	(874)
Insurance	42,000	42,500	42,698	(198)
Legal ads	3,500	2,750	2,400	350
Legal and accounting	5,000	4,800	4,800	-
Miscellaneous	9,600	4,400	3,257	1,143
Office expense	1,500	1,000	2,719	(1,719)
Payroll taxes	7,000	5,000	2,862	2,138
Per diem paid board members	2,000	1,630	1,770	(140)
Salaries and wages	16,500	16,500	16,500	-
Supplies	3,500	8,300	7,617	683
Repairs and maintenance	32,500	31,700	35,034	(3,334)
Utilities/telephone	15,000	16,700	16,662	38
Volunteer Firemen reimbursement	25,000	25,300	25,450	(150)
Principal payments	64,350	64,700	63,607	1,093
Interest payments	9,500	9,400	10,474	(1,074)
Capital outlay	-	169,440	188,267	(18,827)
Total expenditures	<u>295,650</u>	<u>469,920</u>	<u>492,190</u>	<u>(22,270)</u>
Excess of revenues over expenditures	850	(171,320)	(170,794)	526
Nonoperating revenues:				
Interest	100	-	358	358
Net change in fund balance	950	(171,320)	(170,436)	884
Fund balance, beginning	680,624	680,624	680,624	-
Fund balance, ending	<u>\$ 681,574</u>	<u>\$ 509,304</u>	<u>\$ 510,188</u>	<u>\$ 884</u>

SUPPLEMENTAL INFORMATION



Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Commissioners
Mamou Fire Protection District No. 1
Mamou, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Mamou Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Mamou Fire Protection District No. 1's compliance with certain laws and regulations during the year ended December 31, 2018 included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$154,450, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no purchases of materials or supplies exceeding \$30,000, nor public works exceeding \$154,450.

Code of Ethics for Public Officials and Public Employees

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

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

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

Management provided us with required list.

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

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list of immediate family members provided by management in agreed-upon procedure (2).

Budgeting

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

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

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

We traced the adoption of the original and amended budgets to the minutes of a meeting which indicated that the budgets had been adopted.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Neither actual revenues nor actual expenditures failed to meet budgeted revenues or exceeded budgeted expenditures by 5% or more.

Accounting and Reporting

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

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

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

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

All of the payments were properly coded to the correct fund and general ledger account.

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

Inspection of documentation supporting each of the six selected disbursements indicated approval.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

A notice of each meeting and the accompanying agenda is posted on the door of the meeting place. Minutes of Meeting are printed in the local newspaper as evidenced by invoices.

Debt

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

We inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

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

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

This report is intended solely for the use of management of Mamou Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Dunnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

May 20, 2019

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Schedule of Findings and
Planned Corrective Action
Year Ended December 31, 2018

2018-001 Inadequate Segregation of Duties

Condition:

The District did not have adequate segregation of functions within the accounting system.

Criteria:

SAS109, Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement, AU314.43 defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT501.03 states:

“An entity’s internal control over financial reporting includes those policies and procedures that pertain to an entity’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

Cause:

The cause of the condition is the fact that the District does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

Effect:

Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Recommendation:

Considering the cost/benefit implications to the District, all efforts should be made to achieve the highest level of segregation of duties possible.

Views of Responsible Officials and Corrective Action Plan:

The District has provided as much segregation of duties as is feasibly possible at this time.

MAMOU FIRE PROTECTION DISTRICT NO. 1
Evangeline Parish, Louisiana

Schedule of Prior Year Findings
Year Ended December 31, 2018

2017-001 Inadequate Segregation of Duties

This issue is unresolved. See current year finding 2018-001.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

_____ (Date Transmitted)

Darnall, Sikes & Frederick
1231 East Laurel
Eunice, LA 70535

(Auditors)

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

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

Public Bid Law

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

Yes [] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No []

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

Yes [] No []

Budgeting

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

Yes [] No []

Accounting and Reporting

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

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

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No

Advances and Bonuses

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

Yes No

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

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

<u>Leise Allshotel</u>	Secretary	<u>11/12/18</u>	Date
	Treasurer		Date
<u>B Lay Bibe</u>	President	<u>11/12/18</u>	Date