

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

FINANCIAL REPORT
DECEMBER 31, 2019

WAGUESPACK, GALLAGHER, & BARBERA, LLC

Certified Public Accountants • Business Advisors

Post Office Box 250

Napoleonville, Louisiana 70390

(985) 369-2515

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

FINANCIAL REPORT
DECEMBER 31, 2019

WAGUESPACK, GALLAGHER, & BARBERA, LLC

Certified Public Accountants • Business Advisors

Post Office Box 250

Napoleonville, Louisiana 70390

(985) 369-2515

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

FINANCIAL REPORT
DECEMBER 31, 2019

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	
Independent Accountant's Review Report	1-2
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management's Discussion and Analysis	3-8
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet – Governmental Fund	11
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Fund	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	14
Notes to Financial Statements	16-23
REQUIRED SUPPLEMENTARY INFORMATION- PART II	
Budgetary Comparison Schedule- General Fund	24
OTHER SUPPLEMENTARY INFORMATION-PART III	
Schedule of Compensation, Benefits, and Other Payment to Agency Head	25
OTHER SUPPLEMENTARY INFORMATION REQUIRED BY LEGISLATIVE AUDITOR, STATE OF LOUISIANA	
Independent Accountant's Report on Applying Agreed-Upon Procedures	26-28
Louisiana Attestation Questionnaire	29-30

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Commissioners of
St. John Volunteer Fire Department, Inc.
Thibodaux, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and major fund of the St. John Volunteer Fire Department, Inc. (Fire Department) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Fire Department'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 management. 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

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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.

Other Matters Paragraphs

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedule on pages 3-8 and 23 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility 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.

Supplementary Information

The accompanying supplementary schedule of compensation, benefits and other payments to agency head is presented only 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 financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Other Reporting Requirements

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated June 18, 2020, on the results of our agreed-upon procedures on page 25 through 27 and pages 28 through 29 present the Louisiana Attestation Questionnaire.

Wagner, Gallagher, & Burke, LLC

June 18, 2020
Napoleonville, Louisiana

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2019

This section of the Fire Department's annual financial report presents our discussion and analysis of the Fire Department's financial performance during the fiscal year that ended on December 31, 2019. Please read it in conjunction with the Fire Department's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Fire Department's total net position increased by \$113,453 to \$2,214,771 as of December 31, 2019.
- Net position increased because the Fire Department's revenues were \$113,453 more than expenses.
- Expenses for the year were \$295,291, including depreciation expense of \$121,864.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the Fire Department:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Fire Department's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Fire Department government, reporting the Fire Department's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Fire Department's financial statements, including the portion of the Fire Department's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019

Figure A-1 Major Features of St. John Volunteer Fire Department, Inc.'s Government-wide and Fund Financial Statements		
	Fund Statements	
	Government-wide Statements	Governmental Funds
Scope	Entire Fire Department government	The activities of the Fire Department
Required financial statements	<ul style="list-style-type: none">• Statement of net position• Statement of activities	<ul style="list-style-type: none">• Balance Sheet• Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received or have otherwise been incurred.

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019

Government-wide Statements

The government-wide statements report information about the Fire Department as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Fire Department's net position and how it has changed. Net position—the difference between the Fire Department's assets and liabilities—is one way to measure the Fire Department's financial health, or position.

- Over time, increases or decreases in the Fire Department's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the Fire Department include:

- Governmental activities—all of the Fire Department's basic services are included here. Fire protection grant revenues, fire insurance rebate, and interest finance these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Fire Department's most significant funds—not the Fire Department as a whole. Funds are accounting devices that the Fire Department uses to keep track of specific sources of funding and spending for particular purposes.

The Fire Department has one type of fund:

- Governmental fund—The Fire Department's basic services are included in governmental fund, which focuses on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Fire Department's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

FINANCIAL ANALYSIS OF THE FIRE DEPARTMENT AS A WHOLE

Net Position. The Fire Department's net position increased between fiscal years 2019 and 2018 to \$2,214,771. (See Table A-1.)

Table A-1			
St. John Volunteer Fire Department, Inc.'s Net Position			
	Governmental Activities		
	2019		2018
Current and other assets	\$ 560,465		\$683,398
Capital assets, net	1,719,255		1,417,920
Total assets	2,279,720		2,101,318
Current Liabilities	24,949		-
Long-Term Liabilities	40,000		-
Total liabilities	64,949		-
Net Position			
Net investment in capital assets	1,654,458		1,417,920
Unrestricted	560,313		683,398
Total net position	\$2,214,771		\$2,101,318

Net position of the Fire Department's governmental activities increased 5.39 percent to \$2,214,771.

Changes in net position. The Fire Department's total revenues decreased by .38 percent to \$408,744 (See Table A-2). Approximately 79.5 percent of the Fire Department's revenue comes from the fire protection grant from the Lafourche Parish Council and approximately 9.7 percent comes from fire insurance rebates. In 2019, the Fire Department received three grants totaling \$346,270.

The total cost of all expenses increased \$45,196 or 18.1 percent. The Fire Department's expenses cover all services performed by its office.

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019

Governmental Activities

Revenues for the Fire Department's governmental activities decreased .38 percent, while total expenses increased 18.1 percent.

Table A-2			
Changes in St. John Volunteer Fire Department, Inc.'s Net Position			
	Governmental Activities		
	2019		2018
Revenues			
Program revenues			
Fire Protection Grant	\$ 325,000		\$ 305,799
Grants	21,270		38,569
Donations	15,870		22,635
Total Program Revenues	362,140		367,003
General revenues			
Fire Insurance Rebate	39,508		39,526
Interest	5,439		3,643
Other	1,657		156
Total General Revenues	46,604		43,325
Total revenues	408,744		410,328
Expenses			
General Government-Public Safety	295,291		250,095
Total expenses	295,291		250,095
Increase in net position	\$ 113,453		\$160,233

- The cost of all governmental activities this year increased by 18.1 percent to \$295,291.

FINANCIAL ANALYSIS OF THE FUNDS

As the Fire Department completed the year, its governmental funds reported a fund balance of \$560,465, an decrease from last year of \$122,933.

General Fund Budgetary Highlights

- Over the course of the year, the Fire Department revised its budget once for a decrease in operating expenses of approximately \$11,438 and an decrease in capital outlay of approximately \$68,910.

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the Fire Department had invested \$1,719,255 in capital assets. (See Table A-3.)

Table A-3
St. John Volunteer Fire Department, Inc.'s Capital Assets
(net of depreciation)

		Governmental Activities	
		2019	2018
Buildings		\$1,391,552	\$1,388,052
Firefighting Equipment		2,064,345	1,644,646
Land		12,452	12,452
Accumulated Depreciation		(1,749,094)	(1,627,230)
Net Capital Assets		\$1,719,255	\$1,417,920

This year's major capital asset additions included a fire truck of approximately \$330,000.

Long Term Liabilities

At the end of the current fiscal year, the fire department has debt outstanding of \$64,797 as compared to no debt outstanding in the prior year ended December 31, 2018, an increase of 100%. The outstanding debt is for the purchase of a fire truck. During the year, principal of \$15,204 was paid, as was interest in the amount of \$204.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Fire department is dependent on the fire protection grant for most of its revenues in a routine year. The Fire protection grant is dependent on ad valorem taxes collected in Lafourche Parish, which is strongly dependent on the amount of watercraft in port at the end of the preceding year. The economy is not expected to generate any significant growth. Therefore, the Fire department's future revenues are expected to be consistent with the prior years. It is not anticipated that the fire protection grant will increase significantly.

Subsequent to the adoption of the Fire Department's December 31, 2020 budget, the COVID-19 outbreak in the United States has caused business disruption through mandatory and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact and duration cannot be reasonably estimated at this time. The Fire Department intends to amend its budget to reflect the financial impact, as deemed necessary, in accordance with budget laws.

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019

CONTACTING THE FIRE DEPARTMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Fire Department's finances and to demonstrate the Fire Department's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Andrew Robertson, 202 Winder Road, Thibodaux, LA 70301.

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 373,413
Investments	187,052
Total current assets	560,465
Noncurrent assets:	
Capital assets, net of accumulated depreciation	1,719,255
Total noncurrent assets	1,719,255
Total assets	2,279,720
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	152
Current portion of long term debt	24,797
Total current liabilities	24,949
Long Term Liabilities	
Notes Payable	40,000
Total long term liabilities	40,000
Total Liabilities	64,949
NET POSITION	
Net investment in capital assets	1,654,458
Unrestricted	560,313
Total net position	\$ 2,214,771

See accompanying notes and independent accountant's review report

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

		<u>Program Revenues</u>		Net (Expense)
				Revenue and
			Operating	Changes in
		Charges for	Grants and	Net Position
	<u>Expenses</u>	<u>Services</u>	<u>Contributions</u>	<u>Governmental</u>
				<u>Unit</u>
FUNCTIONS/PROGRAMS				
Governmental activities:				
Public Safety	\$ 295,291	\$ -	\$ 362,140	\$ 66,849
Total governmental activities	<u>295,291</u>	<u>-</u>	<u>362,140</u>	<u>66,849</u>
General Revenues:				
Interest				5,439
Fire insurance rebate				39,508
Miscellaneous				<u>1,657</u>
Total general revenues				<u>46,604</u>
Change in net position				113,453
Net position - January 1, 2019				<u>2,101,318</u>
Net position - December 31, 2019				<u>\$ 2,214,771</u>

See accompanying notes and independent accountant's review report

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2019

ASSETS

Cash and cash equivalents	\$ 373,413
Investments	<u>187,052</u>
Total assets	<u><u>\$ 560,465</u></u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable and accrued expenses	<u>\$ -</u>
Total liabilities	<u>-</u>
Fund Balance	
Unassigned	<u>560,465</u>
Total Fund Balance	<u>560,465</u>
Total Liabilities and Fund Balance	<u><u>\$ 560,465</u></u>

See accompanying notes and independent accountant's review report

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total fund balance - Governmental Fund \$ 560,465

Amounts reported for Governmental Activities in
the Statement of Net Position are different because

Capital Assets used in Governmental Activities are not
current financial resources and, therefore, are not
reported in the governmental fund. Those assets consist of:

Cost of capital assets at December 31, 2019	3,468,349	
Less: accumulated depreciation as of December 31, 2019	<u>(1,749,094)</u>	<u>1,719,255</u>

Long-term debt is not a current financial resource and, therefore
is not reported in the fund. This liability consists of: (64,797)

Interest accrued on long-term debt is not a current financial
resource and, therefore are reported in the fund. This
liability consists of: (152)

Total net position at December 31, 2019 - Governmental Activities \$ 2,214,771

See accompanying notes and independent accountant's review report

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

REVENUES

Intergovernmental:	
Fire Protection Grant	\$ 325,000
Fire insurance rebate	39,508
Other Grants	21,270
Donations	15,870
Interest	5,439
Miscellaneous	<u>1,657</u>
 Total Revenues	 <u>408,744</u>

EXPENDITURES

Current	
Operating	
Public Safety	171,945
Capital Outlay	
Public Safety	423,199
Debt Service	
Principal	15,204
Interest	<u>1,329</u>
 Total Expenditures	 <u>611,677</u>

Excess of Expenditures over Revenues	(202,933)
---	-----------

OTHER FINANCING SOURCES

Loan Proceeds	80,000
Total other financing sources	<u>80,000</u>

Net change in fund balances	(122,933)
------------------------------------	-----------

Fund balance, beginning of year	<u>683,398</u>
--	----------------

Fund balance, end of year	<u><u>\$ 560,465</u></u>
----------------------------------	--------------------------

See accompanying notes and independent accountant's review report

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana
RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net change in fund balance	\$ (122,933)
----------------------------	--------------

Amounts reported for Governmental Activities in the
Statement of Activities are different because:

Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is:	423,199
--	---------

Depreciation expense on capital assets is reported in the Government-wide financial statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is:	(121,864)
---	-----------

Loan proceeds, net of principal portion of debt service payments	(64,797)
--	----------

Change in accrued interest payable	(152)
------------------------------------	-------

Change in Net Position - Governmental Activities	\$ 113,453
--	------------

See accompanying notes and independent accountant's review report

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

During 1990, the Lafourche Parish Fire Protection District entered into a grant agreement with St. John Volunteer Fire Department, Inc. The fire protection grant was for the purpose of acquiring, maintaining, and operating buildings, machines, water tanks, water hydrants, water lines and any other things necessary to provide proper fire prevention and control of the property within the boundaries of the department.

The volunteer fire department is a privately created quasi-public corporation that is subject to the grant provisions of its funding agency. The board members are not appointed by the parish council. The volunteer fire department is not fiscally dependent on the parish council and the nature and significance of their relationship with the parish council is not such that their exclusion would render the council's financial statements incomplete or misleading. Therefore, the volunteer fire department is a separate purpose government.

The Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards Section 2100, established criteria for determining which component units should be considered part of the St. John Volunteer Fire Department for financial reporting purposes. The basis criterion for including a potential unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Department to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Department.
2. Organizations for which the Department does not appoint a voting majority but are fiscally dependent on the Department.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Department has determined that there are no component units.

The accounting and reporting policies of the Fire Department conform to generally accepted accounting principles as applicable to governmental units.

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Fire Department's governmental Activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes are presented as general revenues.

Fund Accounting

The Fire Department uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The Fire Department maintains only one fund, classified as a governmental fund. The Governmental fund accounts for the Fire Department's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets. The governmental fund of the Fire Department is described below:

1. General Fund – the General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal fund of the Fire Department and accounts for the operation of the Fire Department.

Basis of Accounting / Measurement Focus

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis – Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Fire Department as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Modified Accrual Basis – Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are determined and “available” means collectively within the current period or soon enough thereafter to pay liabilities of the current period. The Fire Department recognized Fire protection grant and fire insurance rebate as revenue in the year they are earned. Interest earnings on time deposits are recorded when the time deposits have matured and interest is available. All other revenues are recognized in the period in which they are received. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and the judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Budgets

Due to the fact that the Fire Department is a true quasi public entity, which has no direct relationship to another governing entity, it is not subject to the Louisiana Local Budget Act.

Although it is not required, the Fire Department adopts an annual budget based on anticipated revenues consistent with generally accepted accounting principles for internal use. Annual appropriations of funds are not made. Budgetary accounts are not integrated into the formal accounting system.

Cash and Cash Equivalents and Investments

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit. Amounts are classified as cash equivalents if the original maturities are 90 days or less. Under state law, the department may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana and national banks having their principal offices in Louisiana. Further, the department may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Capital Assets

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 5 to 40 years.

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Equity

In the GWFS, equity is classified as net position and displayed in three components:

1. Net investment in capital assets – Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
3. Unrestricted net position – All other net position that do not meet the definitions of the first two components.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – represents balances where constraints have been established by parties outside the Department or imposed by law through constitutional provisions or enabling legislation.

Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Department's highest level of decision-making authority.

Assigned – represents balances that are constrained by the Department's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenses are incurred for the purposes for which both restricted and unrestricted amounts are available, the Department will reduce restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Department will reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The Fire Department does not have any employees therefore no entry is made to record compensated absences.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE B – CASH AND CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2019, the fire department has cash and cash equivalents and investments (book balances) totaling \$560,465 as follows:

Cash and Cash Equivalents	
Demand Deposits	<u>\$373,413</u>
Total	<u><u>373,413</u></u>
Investments	
Certificates of Deposit	<u>\$187,052</u>
Total	<u><u>\$187,052</u></u>

These deposits are stated at cost, which approximates market. Under state laws, 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 securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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.

Custodial credit risk is the risk that in the event of a financial institution failure, the Fire Department's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. At December 31, 2019, the fire department has \$562,050 in deposits (collected bank balances). These deposits are secured from risk by \$473,857 of federal deposit insurance. There was \$88,193 in pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE B – CASH AND CASH EQUIVALENTS AND INVESTMENTS-continued

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 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 department that the fiscal agent has failed to pay deposited funds on demand.

NOTE C – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2019, are as follows:

	Buildings	Firefighting Equipment	Land	Total
Cost of Capital Assets, December 31, 2018	\$ 1,388,052	\$ 1,644,646	\$ 12,452	\$ 3,045,150
Additions	3,500	419,699	-	423,199
Disposals	-	-	-	-
Cost of Capital Assets, December 31, 2019	<u>1,391,552</u>	<u>2,064,345</u>	<u>12,452</u>	<u>3,468,349</u>
Accumulated Depreciation December 31, 2018	128,923	1,498,307	-	1,627,230
Additions	37,400	84,464	-	121,864
Disposals	-	-	-	-
Accumulated Depreciation December 31, 2019	<u>166,323</u>	<u>1,582,771</u>	<u>-</u>	<u>1,749,094</u>
Capital Assets, Net of Accumulated Depreciation, December 31, 2019	<u>\$ 1,225,229</u>	<u>\$ 481,574</u>	<u>\$ 12,452</u>	<u>\$ 1,719,255</u>

For the year ended December 31, 2019, depreciation expense was \$121,864.

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE D – LONG-TERM DEBT

The St. John Volunteer Fire Department, Inc. records vehicles acquired through long-term debt as an asset and an obligation in the accompanying financial statements. On July 15, 2019, the department entered into a note for the purchase of a fire truck in the amount of \$80,000. The terms of the note are interest rate of 4.5% per annum with a maturity of 24 months. The following is a summary of the long-term debt obligation transactions for the year ended December 31, 2019:

Long-term Debt at January 1, 2019	\$ -
Additions	80,000
Reductions	<u>(15,204)</u>
Long-term Debt at December 31, 2019	<u><u>\$ 64,796</u></u>

The annual requirements to amortize the debt outstanding at December 31, 2019, including interest of \$3,816 are as follows:

2020	\$ 27,390
2021	<u>41,222</u>
TOTAL	<u><u>\$ 68,612</u></u>

NOTE E – OTHER GRANTS

Annually, the Fire Department receives a grant from the Lorio Foundation, a private foundation to assist in financing its operations. For the current year, this grant was awarded in the amount of \$15,000.

In 2019, the Fire Department received a grant from the Louisiana Department of Agriculture and forestry to assist in purchasing firefighting equipment. This grant was awarded in the amount of \$6,270.

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE F - LITIGATION

At December 31, 2019, per conversation with management there was no attorney of record and accountant observed no payments to attorneys during the year, therefore, the accountants deemed that there were no lawsuits pending against the Fire Department.

NOTE G – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 18, 2020, noting that the COVID-19 outbreak in the United States has caused business disruption through mandatory and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact and duration cannot be reasonably estimated at this time.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC
Thibodaux, Louisiana
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original	Final	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Fire Protection Grant	\$ 305,000	\$ 305,000	\$ 325,000	\$ 20,000
Fire Insurance Rebate	43,000	43,000	39,508	(3,492)
Other Grants	38,500	38,500	21,270	(17,230)
Donations	19,800	19,800	15,870	(3,930)
Interest	150	150	5,439	5,289
Miscellaneous	13,000	18,500	1,657	(16,843)
Total Revenues	<u>419,450</u>	<u>424,950</u>	<u>408,744</u>	<u>(16,206)</u>
EXPENDITURES				
Current				
Operating				
Public Safety	198,466	187,028	171,945	15,083
Capital Outlay				
Public Safety	180,890	249,800	423,199	(173,399)
Debt Service				
Principal	-	-	15,204	(15,204)
Interest	-	-	1,329	(1,329)
Total Expenditures	<u>379,356</u>	<u>436,828</u>	<u>611,677</u>	<u>(174,849)</u>
Excess of Revenues over Expenditures	40,094	(11,878)	(202,933)	(191,055)
OTHER FINANCING SOURCES (USES)				
Loan Proceeds				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>(80,000)</u>
	-	-	80,000	(80,000)
Net change in fund balances	40,094	(11,878)	(122,933)	(271,055)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>683,398</u>	<u>683,398</u>
Fund balance, end of year	<u>\$ 40,094</u>	<u>\$ (11,878)</u>	<u>\$ 480,465</u>	<u>\$ 492,343</u>

See independent accountant's review report

OTHER SUPPLEMENTARY INFORMATION-PART III

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD
For the Year Ended December 31, 2019**

Agency Head Name: Brad Robichaux, President

Salary	\$ -
Benefits-Insurance	-
Benefits-Retirement	-
Benefits-Deferred Comp	-
Vehicle Provided by Government	-
Cell Phone	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing/Lodging	-
Meals	-
	<hr/>
	\$ -
	<hr/> <hr/>

See independent accountant's review report

**OTHER SUPPLEMENTARY INFORMATION REQUIRED BY
THE LEGISLATIVE AUDITOR, STATE OF LOUISIANA**

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

To the Board of Commissioners of
St. John Volunteer Fire Department, Inc.
Thibodaux, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of St. John Volunteer Fire Department, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agencies solely to assist the users in evaluating management's assertions about St. John Volunteer Fire Department, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2019, included in the accompanying *Louisiana Attestation Questionnaire*. Management of St. John Volunteer Fire Department, Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this 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.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

The Department received one local grant from Lafourche Parish for \$325,000 of which \$325,000 was spent. One local grant was received from the Lorio Foundation for \$15,000 of which \$15,000 was spent. One grant was received from Louisiana Department of Agriculture and Forestry for \$6,270 of which \$6,270 was spent.

2. For each Federal, state, and local award, we haphazardly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

We examined the check register and haphazardly selected 12 disbursements from the check register. The state grant was to reimburse the department for a certain purchase of equipment, therefore that invoice was selected in addition to the 12 others.

3. For the items selected in procedure 2, we traced the six disbursements from each award to supporting documentation as to proper amount and payee.

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

4. For the items selected in procedure 2, we determined if the six disbursements from each award were properly coded to the correct fund and general ledger account.

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

5. For the items selected in procedure 2, we determined whether the six disbursements from each award received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval from the Treasurer. In addition, each of the transactions was presented in the Treasurer's report at the monthly Board meetings, and at which time was approved by the full Board.

6. For the items selected in procedure 2: For state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. There were no instances of non-compliance noted in our testing.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements. There were no instances of non-compliance noted in our testing.

Matching Funds

The grant from the Louisiana Department of Agriculture & Forestry required matching funds of at least 50%. There were no instances of noncompliance noted in our testing.

Reporting

We reviewed the previously listed disbursements for reporting requirements. There were no instances of non-compliance noted in our testing.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The fire protection grant and Lorio grants received do not require close out reports. The equipment grant required that the department provide the invoice for the equipment purchased as its documentation.

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Department is only required to post a notice of each meeting and the accompanying agenda on the door of the fire station. Management has asserted that such documents were properly posted and provided us with copies of the notices and agenda.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

The Department provided comprehensive budgets to the applicable grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

The Lorio Foundation and Louisiana Department of Agriculture and Forestry grants do not require that a comprehensive budget be prepared but do require that the department submit a copy of its year end financial report. This was done per conversation with Andrew Robertson.

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no prior year suggestions, recommendations, and/or comments

We were not engaged to, and did not perform an examination, 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 the management of St. John Volunteer Fire Department, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Wagnerpack, Gallagher, & Bly, CPA
June 18, 2020
Napoleonville, Louisiana

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

4/23/20 (Date Transmitted)

Waguespack, Gallagher, + Barbera, LLC (CPA Firm Name)
P.O. Box 250 (CPA Firm Address)
Napoleonville, LA 70390 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/19 (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.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes ☒ No ☐

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐

Reporting

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

Yes ☒ No ☐

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

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 []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [☒] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [☒] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

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.

Yes [☒] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [☒] No []



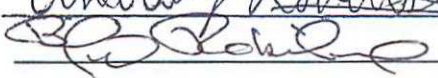
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [☒] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [☒] No []

The previous responses have been made to the best of our belief and knowledge.

	Secretary	4/23/20	Date
	Treasurer	4/23/20	Date
	President	4/23/20	Date